

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

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

| | | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|---|---|---|---|--|--|
| | | CURRENT YEAR QUARTER 31-Dec-11 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-10 RM'000 | CURRENT YEAR TODATE 31-Dec-11 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-10 RM'000 |
| 1 | a Revenue | 2,195 | 2,241 | 6,864 | 7,210 |
| | b Cost of Sales | -548 | -706 | -2,030 | -2,193 |
| | c Other Operating Expenses | -1,325 | -1,652 | -4,022 | -5,128 |
| | d Other Operating Income | 320 | 49 | 1,599 | 139 |
| | e Profit from Operations | 642 | -68 | 2,411 | 28 |
| | f Finance Costs | -69 | -83 | -204 | -194 |
| | g Share of loss of Associate | -600 | - | -2,666 | - |
| | h Loss before Taxation | -27 | -151 | -459 | -166 |
| | i Taxation | -39 | -109 | -115 | -176 |
| | j Loss for the period | -66 | -260 | -574 | -342 |
| | Attributable to: | | | | |
| | k Equity Holders of the Company | -292 | -386 | -1,024 | -817 |
| | l Non-Controlling Interest | 226 | 126 | 450 | 475 |
| | m Loss for the period | -66 | -260 | -574 | -342 |
| 2 | Earnings per share (EPS) attributable to Equity Holders of the Company (sen): | | | | |
| | a Basic EPS | -0.65 | -0.86 | -2.29 | -1.82 |
| | 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 2011

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

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

| | | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | | |
|----------------------------|---|--|---|--|--|-------|
| | | CURRENT YEAR QUARTER 31-Dec-11 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-10 RM'000 | CURRENT YEAR TODATE 31-Dec-11 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-10 RM'000 | |
| 3 | a | Loss for the period | -66 | -260 | -574 | -342 |
| | b | Other Comprehensive (Loss) / Income : Currency translation differences of foreign subsidiaries | -6 | 42 | -385 | 1,327 |
| Total Comprehensive Income | | -72 | -218 | -959 | 985 | |
| Attributable to : | | | | | | |
| c | | Equity Holders of the Company | -295 | -406 | -1,438 | 291 |
| d | | Non-controlling Interest | 224 | 188 | 479 | 694 |
| Total Comprehensive Income | | -72 | -218 | -959 | 985 | |

The above Consolidated Statement of Comprehensive Income should be read
in conjunction with the Audited Financial Statements for the year ended 31 March 2011.

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2011
(The figures have not been audited)

| | <----- Attributable to Equity Holders of the Company -----> | | | | | Non - | |
|--|---|---------|-------------|-------------|-----------|-------------|--------|
| | Share | Premium | Exchange | Accumulated | Sub-Total | Controlling | Total |
| | Capital | Reserve | Fluctuation | Losses | | Interest | Equity |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 April 2011 | 44,753 | 132 | -682 | -13,795 | 30,408 | 778 | 31,186 |
| Total Comprehensive Income for the period | - | - | -414 | -1,024 | -1,438 | 479 | -959 |
| At 31 December 2011 | 44,753 | 132 | -1,096 | -14,819 | 28,970 | 1,257 | 30,227 |
| At 1 April 2010 | 44,753 | 132 | -1,228 | -12,797 | 30,860 | 253 | 31,113 |
| Total Comprehensive Income for the period | - | - | 1,108 | -817 | 291 | 694 | 985 |
| At 31 December 2010 | 44,753 | 132 | -120 | -13,614 | 31,150 | 947 | 32,098 |

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 2011

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2011

| | (Unaudited) As at 31-Dec-11 RM'000 | Audited As at 31-Mar-11 RM'000 |
|--|---|---|
| Fixed assets | 16,107 | 17,256 |
| Investments in Associate and Joint Ventures | -0 | 61 |
| Current assets | | |
| Inventories | 987 | 795 |
| Receivables ,deposits and prepayments | 7,518 | 10,457 |
| Amount due from Associate | 3,117 | 1,439 |
| Current Tax Assets | 37 | 38 |
| Cash and cash equivalents | 9,691 | 9,755 |
| | 21,349 | 22,484 |
| Current liabilities | | |
| Payables and accruals | 2,449 | 3,615 |
| Bank borrowings | 502 | 513 |
| Provision for taxation | 17 | 25 |
| | 2,968 | 4,153 |
| Net current assets | 18,382 | 18,331 |
| | 34,489 | 35,648 |
| Equity | | |
| Share capital | 44,753 | 44,753 |
| Reserves | -15,783 | -14,345 |
| Equity attributable to Equity Holders of the Company | 28,970 | 30,408 |
| Non-controlling interest | 1,257 | 778 |
| | 30,227 | 31,186 |
| Long Term and Deferred Liabilities | | |
| Bank borrowings | 4,167 | 4,367 |
| Deferred tax liabilities | 95 | 95 |
| | 34,489 | 35,648 |
| Net assets per share attributable to Equity Holders of the Company (RM) | 0.65 | 0.68 |

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2011

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

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2011
(The figures have not been audited)

| | CURRENT YEAR TOTATE 31-Dec-11 RM'000 | PRECEDING YEAR 31-Dec-10 RM'000 |
|---|---|--|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Loss before tax | -459 | -166 |
| Adjustments for: | | |
| Depreciation and amortisation | 1,528 | 1,879 |
| Interest income | -187 | -125 |
| Interest expenses | 204 | 194 |
| Operating profit before working capital changes | <u>1,086</u> | <u>1,782</u> |
| Changes in Inventories | -192 | -166 |
| Changes in receivables, deposits and prepayments | 2,219 | 3,634 |
| Changes in amount due from associate | -1,678 | - |
| Changes in payables and accruals | -1,166 | 182 |
| Cash generated from operating activities | <u>269</u> | <u>5,432</u> |
| Tax paid/Tax refund | -122 | -176 |
| Net cash generated from operating activities | <u>147</u> | <u>5,256</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Property , Plant & Equipment | -44 | -419 |
| Investment in Associated Company | 61 | - |
| Interest income | 187 | 125 |
| Net cash generated from/(used in) investing activities | <u>204</u> | <u>-294</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Bank borrowings | -211 | -227 |
| Interest paid | -204 | -194 |
| Net cash used in financing activities | <u>-415</u> | <u>-421</u> |
| Net increase in cash and cash equivalents | -64 | 4,541 |
| Cash and cash equivalents at beginning of year | 9,755 | 5,300 |
| Cash and cash equivalents at end of financial period | <u>9,691</u> | <u>9,841</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-Dec-11 RM'000 | 31-Dec-10 RM'000 |
|--|---------------------|---------------------|
| Deposit with licensed banks and financial institutions | 8,019 | 9,085 |
| Cash and bank balances | 1,672 | 756 |
| | <u>9,691</u> | <u>9,841</u> |

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

NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED
31 DECEMBER 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 2011, except for the adoption of the following FRSs:-

FRSs/Interpretations effective for accounting period beginning on or after 1 July 2010

| | |
|-----------------------|--|
| FRS 1 | First-time Adoption of Financial Reporting Standards (Revised) |
| FRS 3 | Business Combinations (Revised) |
| FRS 127 | Consolidated and Separate Financial Statements (Revised) |
| Amendments to FRS 2 | Share-based Payment |
| Amendments to FRS 5 | Non-current Assets Held for Sale and Discontinued Operations |
| Amendments to FRS 138 | Intangible Assets |
| IC Interpretation 17 | Distributions of Non-cash Assets to Owners |

FRSs/Interpretations effective for accounting period beginning on or after 1 January 2011

| | |
|-----------------------|--|
| Amendments to FRS 1 | Limited Exemptions from Comparative FRS 7 Disclosures for First-time Adopters; Additional Exemptions for First-time Adopters; and Accounting policy changes in the year of adoption, revaluation basis as deemed cost and the use of deemed cost for operations subject to rate regulation |
| Amendments to FRS 2 | Group Cash-settled Share-based Payment Transactions |
| Amendments to FRS 3 | Measurement of non-controlling interests and un-replaced and voluntarily replaced share-based payments award |
| Amendments to FRS 7 | Improving Disclosures about Financial Instruments; and |
| Amendments to FRS 101 | Clarification of Statement of changes in Equity |
| Amendments to FRS 134 | Significant events and transactions |
| IC Interpretation 4 | Determining whether an Arrangement contains a Lease |

The adoption of the above FRSs or Interpretations is not expected to have any material financial effects to the Group.

2 Status of Audit Qualification

The annual financial statements for the year ended 31 March 2011 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.

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

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

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 31 December 2011 | | | | | | | |
| Revenue from external customers | 3,337 | 773 | 1,561 | 925 | 268 | - | 6,864 |
| Inter-segment revenue | - | 570 | - | - | 308 | -878 | - |
| Total Revenue | 3,337 | 1,343 | 1,561 | 925 | 576 | -878 | 6,864 |
| Segment Result | 248 | 50 | 1,484 | -645 | 1,819 | -732 | 2,224 |
| Interest income | | | | | | | 187 |
| Finance costs | | | | | | | -204 |
| Share of Loss of Associate | | | | | | | -2,666 |
| Loss before Tax | | | | | | | -459 |
| Segment Assets | 2,679 | 5,972 | 5,368 | 4,770 | 10,611 | | 29,400 |
| Unallocated assets | | | | | | | 8,056 |
| | | | | | | | 37,456 |
| Segment Liabilities | 463 | 745 | 738 | 179 | 419 | | 2,544 |
| Unallocated liabilities | | | | | | | 4,686 |
| | | | | | | | 7,230 |

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.

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

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

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 2 November 2011, the Company strike off its wholly owned subsidiary, GW Capital Sdn Bhd, which has ceased operation since 30 June 2009. However, on 20 January 2011, the Companies Commission of Malaysia ("CCM") rejected our application on the basis that the last audited accounts as at 31 March 2010 showed substantial assets and liabilities. We have since requested CCM to review their decision as CCM should consider our application based on the latest audited accounts as at 31 March 2011 and not the previous year's accounts.

11 Contingent liabilities

The Group did not have any material contingent liabilities as at 23 February 2012 (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 23 February 2012 (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-Dec-11 RM'000 |
|----------------------------|------------------------------|
| Management fees receivable | 225 |
| Rental receivable | <u>83</u> |

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

| | As at 31-Dec-11 RM'000 |
|-------------------|------------------------------|
| Rental receivable | <u>206</u> |

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

NOTES TO THE QUARTERLY REPORT FOR THE FINANCIAL QUARTER ENDED
31 DECEMBER 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 RM6.864 million and a pre-tax loss of RM0.459 million for the financial period ended 31 December 2011 as compared to the preceding year's corresponding period turnover of RM7.210 million and a pre-tax profit loss of RM0.166 million.

The gaming operations registered a higher revenue of RM1.559 million and a pre-tax profit of RM1.699 million against a revenue of RM1.419 million and a pre-tax profit of RM0.137 million in the preceding year's corresponding period. In Cambodia, the gaming machines have almost fully depreciated in 2011 and thus, resulting in a pre-tax profit of RM0.365 million as compared to a pre-tax loss of RM0.582 million in the preceding year's corresponding period.

There was no material changes in the revenue of the manufacturing division, with an improvement of 1% in its revenue of RM3.337 million in 2011. However, pre-tax profit decline by 8% to RM0.546 million as compared to RM0.596 million in the preceding year's corresponding period.

As expected, the consumer financing business recorded a lower profit with its revenue and pre-tax profit declining by 44% to RM0.773 million and 47% to RM0.312 million respectively due to a lower loan base as the company had ceased this business.

Although the hotel operation in Laos remained loss-making, its revenue and pre-tax loss improved by 9% to RM0.925 million and 18% to RM0.645 million respectively. The losses were mainly attributed to depreciation charges.

The investment in our associate which operates a casino in Kathmandu, Nepal, contributed to a share of loss in associate of RM2.665 million to date. The casino is currently under renovation, which is expected to be completed in the 1st quarter of 2012. Losses is expected in the initial development stage and during the renovation period. In addition, the casino was temporarily closed in mid-November due to labour dispute between two Staff Unions in the casino and this eventually led to an illegal strike by both Unions. The issue has since been resolved and the casino resumed operations at the end of January 2012.

As highlighted in the previous quarter, on 1 August 2011, our subsidiaries, EPA Automation Sdn Bhd and EPA Automation Pte Ltd, and Camozzi s.p.a have reached an out of court settlement whereby debts of EURO 204,590 owing to Camozzi s.p.a was written off from the accounts. This extraordinary gain is reflected in Other Income.

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

For the 3rd quarter ended 31 December 2011, the Group achieved a turnover of RM2.195 million and generated a pre-tax loss of RM0.027 million as compared to a revenue of RM2.137 million and pre-tax profit of RM0.677 million in the preceding quarter ended 30 September 2011.

The pre-tax profit recorded in the preceding quarter was attributed to debts written off of EURO 204,590 owing by the subsidiaries, EPA Automation Sdn Bhd and EPA Automation Pte Ltd, to Camozzi s.p.a, as highlighted in Noted B(1) above.

3 Realised and Unrealised Profits/Losses

| | As at 31-Dec-11 RM'000 | As at 31-Mar-11 RM'000 |
|--|------------------------------|------------------------------|
| Total accumulated losses of the Company and its subsidiaries:- | | |
| Realised | -46,605 | -48,471 |
| Unrealised | -379 | -1,337 |
| | -46,984 | -49,809 |
| Consol adjustments | 32,165 | 36,013 |
| Total accumulated losses | -14,819 | -13,795 |

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

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

4 Prospects

- i) The consumer finance business will continue to contribute positively to the long term earnings of the Group albeit on a reducing scale due to a declining loan base.
- 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) Our gaming operations on a revenue sharing basis with two casinos in Cambodia is expected to 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"), 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.
The Board took note that this has been a costly long drawn battle with legal fees paid to date of approximately USD0.185 million. After due consideration and deliberation on the facts of the case presented by our lawyer, the Board acknowledged that the outcome of winning the case is uncertain, and after considering all legal avenues, the Board agreed unanimously to withdraw our legal proceeding against Viet Star.
- 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.
- vii) On 31 March 2011, the Group acquired 40% equity interest in Goldshore Capital Limited, which operates a casino in Kathmandu, Nepal. The newly renovated casino is expected to contribute positively to the long term earnings of the Group.

5 Variance of Actual Profit from Forecast Profit

Not Applicable as no profit forecast was published.

6 Taxation

| | |
|-----------------------|------------------------------|
| | As at 31-Dec-11 RM'000 |
| Current year taxation | 115 |
| Total | <u>115</u> |

The tax charges is not reflective of the Group's performance. This is mainly due to the profit of subsidiaries incorporated overseas are not subject to taxation.

7 Status of corporate proposals

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

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

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

8 Group Borrowings and Debt Securities

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

| | RM'000 |
|--------------------------------|--------------|
| A Short Term Borrowings | |
| Secured | |
| Term loan | 449 |
| Hire purchase obligation | 53 |
| | <u>502</u> |
| B Long Term Borrowings | |
| Secured | |
| Term loan | 4,113 |
| Hire purchase obligation | 54 |
| | <u>4,167</u> |

9 Material pending litigation

Saved as disclosed below, the Group was not engaged in any material / material pending litigation as at 23 February 2012 (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. Sufficient provision has been made in the accounts for the abovementioned material litigation.

As mentioned in the previous quarter, on 1 August 2011, both EPA Malaysia and EPA Singapore and the Camozzi Defendants have reached an out of court settlement whereby both parties agreed to withdraw the suit against each other and neither party shall have any claims against the other.

- 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. The Board took note that this has been a costly long drawn battle with legal fees paid to date of approximately USD0.185 million. After due consideration and deliberation on the facts of the case presented by our lawyer, the Board acknowledged that the outcome of winning the case is uncertain, and after considering all legal avenues, the Board agreed unanimously to withdraw our legal proceeding against Viet Star.

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AND ITS SUBSIDIARIES

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

10 Dividends

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

11 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

12 Authorisation

This Quarterly Results for the financial period ended 31 December 2011 have been seen and approved by the Board of Directors of Widetech (Malaysia) Berhad on 28 February 2012 for release to the Bursa Securities.

BY ORDER OF THE BOARD

Pang Chia Tyng
Company Secretary

Dated this 28th day of February 2012