



## **WIDAD GROUP BERHAD**

*(Formerly known as IDEAL JACOBS (MALAYSIA) CORPORATION BHD)*

200901014295 (857363-U)

(Incorporated in Malaysia)

### **INTERIM FINANCIAL STATEMENTS FOR THE PERIOD FROM 1<sup>ST</sup> JULY 2019 TO 30<sup>TH</sup> SEPTEMBER 2019**

<b>CONTENTS</b>	<b>PAGE</b>
Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	2
Unaudited Condensed Consolidated Statement of Financial Position	3
Unaudited Condensed Consolidated Statement Of Changes In Equity	4
Unaudited Condensed Consolidated Statement of Cash Flows	5 - 6
Explanatory Notes Pursuant to MFRS 134	7 - 10
Explanatory Notes Pursuant to Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad	10 - 17

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**WIDAD GROUP BERHAD***(Formerly known as IDEAL JACOBS (MALAYSIA) CORPORATION BHD (857363-U)**(Incorporated in Malaysia)*Interim financial report for the 3<sup>rd</sup> quarter ended 30 September 2019. The figures have not been audited.**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/9/2019	30/9/2018	30/9/2019	30/9/2018
	RM'000	RM'000	RM'000	RM'000
Revenue	40,336	65,548	118,161	182,488
Cost of sales	(23,133)	(46,724)	(72,933)	(123,235)
<b>Gross Profit</b>	<b>17,203</b>	<b>18,824</b>	<b>45,228</b>	<b>59,253</b>
Other income	1,221	-	1,751	13
Administrative expenses	(5,921)	(7,150)	(15,734)	(24,354)
<b>Operating Profit</b>	<b>12,503</b>	<b>11,674</b>	<b>31,245</b>	<b>34,912</b>
Reverse acquisition expenses	-	(1,560)	-	(7,105)
Finance income	417	410	1,342	2,413
Finance costs	(2,631)	(836)	(7,373)	(8,538)
<b>Profit before tax</b>	<b>10,289</b>	<b>9,688</b>	<b>25,214</b>	<b>21,682</b>
Tax expense	(3,459)	(2,963)	(7,108)	(7,105)
<b>Profit after tax / Total comprehensive income</b>	<b>6,830</b>	<b>6,725</b>	<b>18,106</b>	<b>14,577</b>
<b>Profit after tax / Total comprehensive income attributable to:</b>				
Owners of the Company	<b>6,830</b>	<b>6,725</b>	<b>18,106</b>	<b>14,577</b>
<b>Earnings per share (sen)</b>				
Basic	0.28	0.34	0.74	0.73

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

**WIDAD GROUP BERHAD***(Formerly known as IDEAL JACOBS (MALAYSIA) CORPORATION BHD (857363-U)**(Incorporated in Malaysia)*Interim financial report for the 3<sup>rd</sup> quarter ended 30 September 2019. The figures have not been audited.**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>UNAUDITED AS AT 30/9/2019 RM'000</b>	<b>AUDITED AS AT 31/12/2018 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSET</b>		
Property, plant & equipment	61,775	64,073
Total Non-Current Asset	<b>61,775</b>	<b>64,073</b>
<b>CURRENT ASSETS</b>		
Contract assets	160,682	136,490
Trade receivables	86,589	65,632
Other receivables	7,636	7,960
Tax recoverable	3,767	3,767
Fixed deposits with licensed banks	69,356	74,293
Cash and bank balances	2,371	25,350
Total Current Assets	<b>330,401</b>	<b>313,492</b>
<b>TOTAL ASSETS</b>	<b>392,176</b>	<b>377,565</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company:</b>		
Share capital	65,271	65,271
Retained earnings	106,772	88,666
<b>Total Equity</b>	<b>172,043</b>	<b>153,937</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long term borrowings	99,847	114,701
Finance lease liabilities	505	788
Total Non-Current Liabilities	<b>100,352</b>	<b>115,489</b>
<b>CURRENT LIABILITIES</b>		
Contract liability	12,688	17,462
Trade payables	47,806	34,302
Other payables	8,220	6,975
Short term borrowings	28,151	31,225
Finance lease liabilities	418	520
Tax payable	22,498	17,655
Total Current Liabilities	<b>119,781</b>	<b>108,139</b>
<b>Total Liabilities</b>	<b>220,133</b>	<b>223,628</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>392,176</b>	<b>377,565</b>
Net assets per share attributable to equity holders of parent (RM)	0.07	0.06

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

**WIDAD GROUP BERHAD**

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Interim financial report for the 3<sup>rd</sup> quarter ended 30 September 2019. The figures have not been audited.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<b>SHARE CAPITAL</b>	<b>DISTRIBUTABLE RETAINED EARNINGS</b>	<b>TOTAL EQUITY</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>As at 1 January 2019</b>	65,271	88,666	153,937
Total profit or loss and other comprehensive income for the period	-	18,106	18,106
<b>As at 30 September 2019</b>	<b>65,271</b>	<b>106,772</b>	<b>172,043</b>

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

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**WIDAD GROUP BERHAD***(Formerly known as IDEAL JACOBS (MALAYSIA) CORPORATION BHD (857363-U)**(Incorporated in Malaysia)*Interim financial report for the 3<sup>rd</sup> quarter ended 30 September 2019. The figures have not been audited.**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>CURRENT YEAR TO DATE 30/9/2019 RM'000</b>	<b>AUDITED AS AT 31/12/2018 RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	25,214	28,114
<b>Adjustments for non-cash movements:</b>		
Depreciation of property, plant and equipment	2,358	2,640
Interest expense	7,373	11,034
Interest income	(1,342)	(2,012)
Property, plant and equipment written off	-	55
Unrealised loss(gain) on foreign exchange	-	2
Loss on disposal of property, plant and equipment	-	11
Operating profit before working capital changes	<b>33,603</b>	<b>39,844</b>
<b>Changes in working capital:</b>		
Contract assets	(28,966)	(39,594)
Receivables	(20,633)	(10,532)
Payables	14,749	(25,429)
<b>Cash from operations</b>	<b>(1,247)</b>	<b>(35,711)</b>
Interest paid	(827)	(929)
Interest received	7	597
Income tax paid, net of refund	(2,265)	(10,238)
<b>Net cash from operating activities</b>	<b>(4,332)</b>	<b>(46,281)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(60)	(11,863)
Adjustment arising from Reverse Acquisition	-	28,036
Interest received	1,335	1,415
<b>Net cash from investing activities</b>	<b>1,275</b>	<b>17,588</b>
<b>FINANCING ACTIVITIES</b>		
Drawdown term loan	48,000	-
Repayment SUKUK	(20,000)	(20,000)
Repayment of borrowings	(46,974)	(6,037)
Repayment of finance lease liabilities	(385)	(556)
Proceed from issuance of shares pursuant to private placement	-	23,508
Withdrawal/(Placement) in Designated Bank Accounts	17,939	(4,500)
Advance from/(Repayment) to Ultimate Holding Company	-	51,389
Advance from related companies	-	1,013
Interest paid	(6,546)	(10,106)
Placement/withdrawal of fixed deposits	4,936	4,764
<b>Net cash used in financing activities</b>	<b>(3,030)</b>	<b>39,475</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>CURRENT YEAR TO DATE 30/9/2019 RM'000</b>	<b>AUDITED AS AT 31/12/2018 RM'000</b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>(6,087)</b>	<b>10,782</b>
<b>CASH AND CASH EQUIVALENTS BALANCE AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<b>657</b>	<b>(10,124)</b>
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	<b>-</b>	<b>(1)</b>
<b>CASH AND CASH EQUIVALENTS BALANCE AT THE END OF THE FINANCIAL PERIOD</b>	<b>(5,430)</b>	<b>657</b>
<b>Presented by:</b>		
Cash and bank balances	2,371	25,350
Fixed deposits with licensed banks	69,356	74,292
Bank overdraft	(6,982)	(5,936)
	<b>64,745</b>	<b>93,706</b>
Designated Bank Accounts	(819)	(18,757)
Fixed deposits with licensed banks	(69,356)	(74,292)
	<b>(5,430)</b>	<b>657</b>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

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Interim financial report for the 3<sup>rd</sup> quarter ended 30 September 2019. The figures have not been audited.

### **EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**

#### **A. EXPLANATORY NOTES PURSUANT TO MFRS 134**

##### **A1 Basis of Preparation**

These interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial report.

The accompanying explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2018.

##### **A2 Significant Accounting Policies**

###### **A2.1 MFRS 3: Business Combinations – Reverse Acquisition and Disposal**

In accordance with MFRS 3: Business Combinations, the aforementioned business combination between the Company and WBSB is treated as a reverse acquisition whereby for accounting purposes, the accounting acquirer is WBSB while the accounting acquiree is the Company.

Under the reverse acquisition method of accounting, even though the consolidated financial statements of the combined entity are issued under the name of the legal holding company, that is, the Company, the consolidated financial statements represent a continuation of the historical financial statements of the legal subsidiary, that is, WBSB.

###### **A2.2 Adoption of Amendments/Improvements to MFRS**

The accounting policies and method of computation adopted for the interim financial statements are consistent with those adopted in audited financial statements for the financial year ended 31 December 2018, except for the adoption of the following new MFRS, amendment to MFRS and IC Interpretation which are relevant to its operations and are effective for the financial statements beginning from 1 January 2019.

- 1) MFRS 16 Leases
- 2) Annual Improvement to MFRS Standards 2015-2017 Cycle
- 3) IC Interpretation 23 Uncertainty over Income Tax Treatment

Initial application of the above standard, amendment and interpretation did not have material impact to the financial statements of the Group.

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### **EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**

#### **A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)**

##### **A3 Audit Report of Preceding Annual Financial Statements**

The auditors' report on the financial statements for the financial year ended 31 December 2018 was not subject to any qualification.

##### **A4 Seasonal or Cyclical Factors**

The operations of the Group were not subject to any seasonal or cyclical changes.

##### **A5 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows in the current quarter and period under review.

##### **A6 Material Changes in Estimates**

There were no material changes in estimates in the current quarter and period under review.

##### **A7 Debts and Equity Securities**

During the quarter, the Group made a principal payment amounting to RM20 million for its Sukuk which was due in September 2019.

Other than as disclosed above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities in the current quarter and period under review.

##### **A8 Dividends Paid**

There were no dividends declared or paid in the current quarter and period under review.

##### **A9 Segmental Reporting**

The Group is divided into two main business segments. They are:

###### **1. Construction**

Carrying out contracts involving infrastructure and civil engineering works.



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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**

**A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONT'D)**

**A9 Segmental Reporting (cont'd)**

**2. Integrated Facilities Management ("IFM")**

Provision of management, operations and maintenance services which can be categorized into scheduled maintenance (proactive, preventive, predictive and corrective maintenance), ad-hoc maintenance and upgrading and renovation works.

Primary reporting basis by business segments:

	CURRENT YEAR QUARTER			CURRENT YEAR TO DATE		
	RM'000			RM'000		
	IFM	CONSTRUCTION	TOTAL	IFM	CONSTRUCTION	TOTAL
Revenue	15,936	24,400	40,336	52,462	65,699	118,161
<b><u>Segment results</u></b>						
Other income			1,221			1,751
Depreciation			(786)			(2,358)
Finance Cost			(2,631)			(7,373)
Finance Income			417			1,342
Taxation			(3,459)			(7,108)
Segment profit			<u>6,830</u>			<u>18,106</u>

**A10 Carrying Amount of Revalued Asset**

The Group does not perform any valuation of property, plant and equipment during the quarter and financial year-to-date.

**A11 Material Events Subsequent to the End of the Interim Period**

There were no material events subsequent to the end of the current quarter under review up to the date of this report which will substantially affect the results and position of the Group.

**A12 Effect of changes in the Group Composition, Long Term Investments, Restructuring and Discontinued Operations**

There was no change to the composition of the Group during the current quarter.

**A13 Contingent Liabilities/Assets**

There were no contingent liabilities/assets as at the end of the current quarter under review.

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There were no capital commitments as at 30 September 2019.

**A15 Significant Related Party Transactions**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/9/2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2018 RM'000	CURRENT YEAR TO DATE 30/9/2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2018 RM'000
<b><u>Group</u></b>				
- Rental income of office space	193	128	579	128
<b><u>Company</u></b>				
- Management fee charged to subsidiaries	750	N/A	2,250	N/A
- Purchase and install fire suppression, CCTV and door access system from a related company	-	237	-	237

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	QUARTER ENDED			
	30/9/2019 RM'000	30/9/2018 RM'000	Variance RM'000	Variance %
Revenue:				
- Construction	24,400	43,555	(19,155)	(43.98%)
- Integrated Facilities Management (IFM)	15,936	21,993	(6,057)	(27.54%)
Total revenue	40,336	65,548	(25,212)	(38.46%)
Profit before tax	10,289	9,688	601	6.20%

Revenue for the current quarter was RM25.21 million or 38.46% lower as compared to corresponding quarter of the previous financial year. The reduction was mainly due to completion of two construction works and an IFM contract in early financial year 2019.

Despite the decrease in revenue, profit before tax improved by RM0.60 million or 6.20% as compared to corresponding quarter of previous financial year mainly due to the Group's gross profit remained roughly the same as a result of the following:

- (i) higher proportion of contribution from IFM segment (39.51% over the total revenue for the quarter ended 30 September 2019 as compared to 33.55% for the quarter ended 30 September 2018). IFM segment has higher profit margin as compared to construction; and
- (ii) increase of 5% rate charges in certain IFM contracts as stipulated in the IFM contracts .

	CUMULATIVE QUARTER ENDED			
	30/9/2019 RM'000	30/9/2018 RM'000	Variance RM'000	Variance %
Revenue:				
- Construction	65,699	111,158	(45,459)	40.90%
- Integrated Facilities Management (IFM)	52,462	71,330	(18,868)	26.45%
Total revenue	118,161	182,488	(64,327)	35.25%
Profit before tax	25,214	21,682	3,532	16.29%

For the nine months period, revenue recorded was RM64.33 million or 35.25% lesser compared to corresponding period of the previous financial year. Construction contributed 55.60% (2018 : 60.91%) while IFM contributed 44.40% (2018 : 39.09%). Lower revenue was attributable to completion of projects in both segments and slower construction activities.

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Interim financial report for the 3<sup>rd</sup> quarter ended 30 September 2019. The figures have not been audited.

### EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

#### B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

##### B1. Review of Performance (cont'd)

Profit before tax registered RM3.53 million or 16.29% higher compared to the corresponding period of the previous financial year. For the nine months period ended 30 September 2019, higher proportion of contribution from IFM segment (44.40% over the total revenue for the nine months period ended 30 September 2019 as compared to 39.09% for the nine months period ended 30 September 2018), contributed to the significant improvement in profitability.

##### B2. Comparison with Preceding Quarter's Results

	Current Quarter 30/9/2019 RM'000	Immediate Preceding Quarter 30/6/2019 RM'000	Variance RM'000	Variance %
<b>Revenue :</b>				
- Construction	24,400	18,457	5,943	32.20%
- Integrated Facilities Management (IFM)	15,936	14,011	1,925	13.74%
	<b>40,336</b>	<b>32,468</b>	<b>7,868</b>	<b>24.23%</b>
Profit Before Tax (PBT)	10,289	6,418	3,871	60.31%

The Group's revenue for the current quarter increased RM7.9mil or 24.23% as compared to the preceding quarter. Both construction and IFM segments registered marked improvement during the quarter. Higher revenue was resulted from the resumption of construction activities which were slowed down in previous quarter while IFM segment received higher provisional work orders.

In tandem with the increase in revenue, the Group registered PBT of RM 10.29 million as compared to RM6.42 million in preceding quarter, representing an increase of RM3.87 million or 60.31%.

##### B3 Prospects

The Group is confident of its performance for the remaining period up to the end of the financial year, on the back of its remaining order books worth RM900 million.

Moving forward the group also has taken few strategic initiatives to continue exploring opportunities that could provide long term and stable revenue and continuously monitoring its business operations to ensure that it is run efficiently and competitively.

##### B4 Variance of Actual Profit from Forecast Profit

There were no profit forecasts or profit guarantees released to the public.

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### EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

#### B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

##### B5 Taxation

Tax expense comprises the following:

	CURRENT YEAR QUARTER 30-09-2019 RM'000	CURRENT YEAR TO DATE 30-09-2019 RM'000
Current Tax	3,459	7,108
Effective tax rate	34%	28%

Malaysian income tax is calculated at the statutory rate of 24% of the estimated assessable profits for the financial period. The effective tax rate of 34% for the current quarter was higher than the statutory tax rate mainly due to certain past expenses not qualifying for tax deduction purposes.

##### B6 Status of Corporate Proposals Announced But Not Completed

Save as disclosed below, there were no corporate proposals announced but not completed as at the date of issuance of this announcement.

###### 1. Proposed Acquisition of Serendah Heights Sdn Bhd

On 17 October 2019, the Board of Directors of Widad announced that the Company had entered into a HOA with the shareholders of Serendah Heights Sdn Bhd ("SHSB"), namely, Prihatin Ehsan Holdings Sdn Bhd ("PEHSB") and Training Camp Aabata Sdn Bhd ("TCASB") holding an aggregate of 90% equity interest or 4,500,000 ordinary shares ("**Sale Shares**") in SHSB (collectively referred to as "**the Vendors**") with a view to acquire 90% equity interest in SHSB ("**Proposed Acquisition**"), for a purchase consideration of RM95,890,000.00 ("**Purchase Consideration**") to be satisfied via cash of RM86,301,000.00, being 90% of the Purchase Consideration and issuance of new ordinary shares in Widad ("**Consideration Shares**") with value of RM9,589,000.00 being 10% of the Purchase Consideration free from any encumbrances, subject to the terms and conditions of share sale and purchase agreement to be entered into between the parties ("**Definitive Agreement**").

Pursuant to the HOA, Widad and the Vendors have agreed to exercise their best endeavour to negotiate and finalise all terms of the Definitive Agreement pertaining to the Proposed Acquisition within 2 months from the date of the HOA.

Currently, Widad are in the midst of negotiating and finalizing the terms of the Definitive Agreement with the Vendors.

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### EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

#### B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

##### B6 Status of Corporate Proposals Announced But Not Completed (cont'd)

###### 2. Proposed Acquisition of Innovative Mewah Sdn Bhd

On 27 November 2019, the Board of Directors of Widad announced that the Company had entered into a HOA with the shareholders of Innovative Mewah Sdn Bhd ("IMS B"), namely, Menang Development (M) Sdn Bhd ("MDSB"), Menang Industries (M) Sdn Bhd ("MISB") and Tentu Selesa Sdn Bhd ("TSSB") holding an aggregate of 100% equity interest or 69,300,100 ordinary shares ("Sale Shares") in IMSB (collectively referred to as "the Vendors") with a view to acquire 100% equity interest in IMSB ("Proposed Acquisition"), for a purchase consideration of RM122,000,000.00 ("Purchase Consideration") to be satisfied via cash, subject to the terms and conditions of share sale and purchase agreement to be entered into between the parties ("Definitive Agreement").

Currently, Widad are in the midst of evaluation process and finalizing the terms of the Definitive Agreement with the Vendors.

##### B7 Group Borrowings

	<b>CURRENT YEAR TO DATE 30/9/2019 RM'000</b>
<b>Secured Short Term Borrowings</b>	
- Bank overdraft	6,982
- Sukuk	20,000
- Term financing	8,151
- Finance lease liabilities	371
<b>Secured Long Term Borrowings</b>	
- Sukuk	50,000
- Term financing	49,847
- Finance lease liabilities	552
<b>Total Group Borrowings</b>	<b>135,903</b>
Total Assets	392,176
<b>Percentage of Borrowings over Total Assets</b>	<b>35%</b>

The Group borrowings are wholly denominated in Ringgit Malaysia.

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## **WIDAD GROUP BERHAD**

*(Formerly known as IDEAL JACOBS (MALAYSIA) CORPORATION BHD (857363-U)*  
(Incorporated in Malaysia)

Interim financial report for the 3<sup>rd</sup> quarter ended 30 September 2019. The figures have not been audited.

### **EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**

#### **B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

##### **B8 Material Litigations**

Except for the following claims, there was no pending material litigation as at the date of this report.

- a) KMK Power Sdn Bhd (“KMKP”) and KMK Green Ventures (“KMKG”) VS Bumi Segar Indah Sdn Bhd (“BSI”) and Widad Builders Sdn Bhd (“WBSB”)

KMK Power Sdn Bhd (first plaintiff) and KMK Green Ventures Sdn Bhd (second plaintiff) (both plaintiffs are referred to as “the Plaintiffs”) have filed a Writ of Summons dated 6 November 2019 against Bumi Segar Indah Sdn Bhd (BSI) as the First Defendant and WBSB as Second Defendant. The Plaintiffs commenced the suit against BSI in relation to a contract known as “Cadangan Projek bagi Membina, Mengoperasi dan Menyelenggara Stesen Pemindahan Sisa Pepejal Baru di Taman Beringin, Jinjang Utara, Kepong, Kuala Lumpur” (“the said Project”) and sought a declaration that WBSB’s transaction with BSI is void and other reliefs. WBSB has accepted the award of the contract for the said Project from BSI on 25 September 2019 for the design and build portion of the said Project only. WBSB does not aware of any understanding, arrangement and / or obligations arising between the Plaintiffs and BSI, and neither have any connection whatsoever, whether written or verbal, implied or express, between the Plaintiff and BSI. WBSB views that the Doctrine of Privity of Contract applies whereas a contract cannot confer rights or impose obligations upon any person who is not a party to the said contract. WBSB is not privity to any terms between the Plaintiffs and BSI.

##### **Particulars of the Claims**

The Plaintiffs have filed a writ of summons and statement of claim 6 November 2019 to claim for the following from the First Defendant and the Second Defendant: -

- (ii) Declaration and specific performances on the agreements between Plaintiffs and BSI;
- (iii) Declaration that the transaction between BSI and WBSB is void;
- (iv) specific damages inclusive loss of profit of RM35,752,028.60;
- (v) Injunctions; and
- (vi) other reliefs.

The Writ was served short-service to WBSB and WBSB has engaged a solicitor to handle the civil suit. On 19 November 2019, WBSB has filed notice of appearance and the application to strike out the Plaintiffs’ claim on the basis there is no cause of action against WBSB.

Subsequent to the case management on 25 November 2019, registrar has fixed the following:

1. On the strike out application, WBSB need to file written submission by 7 January 2020 and the registrar will fix the date for hearing in the high court
2. On KMK suit, WBSB need to file a defense by 17 December 2019. The online case management is fixed on 16 January 2020.

**WIDAD GROUP BERHAD***(Formerly known as IDEAL JACOBS (MALAYSIA) CORPORATION BHD (857363-U)**(Incorporated in Malaysia)*Interim financial report for the 3<sup>rd</sup> quarter ended 30 September 2019. The figures have not been audited.**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019****B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)****B9 Dividends**

There were no dividends declared or paid during the quarter under review.

**B10 Earnings Per Share****(i) Basic earnings per share**

The basic earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of shares in issue during the period.

	<b>Current Quarter 30/9/2019</b>	<b>Current year to date 30/9/2019</b>
Profit after tax for the period (RM'000)	6,830	18,106
Weighted average number of ordinary shares in issue ('000)	2,454,642	2,454,642
Basic earnings per share (sen)	<u>0.28</u>	<u>0.74</u>

**(ii) Diluted earnings per share**

The diluted earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of shares to be issued pursuant to the exercise of the warrant.

	<b>Current Quarter 30/9/2019</b>	<b>Current Year To Date 30/9/2019</b>
Profit after tax for the period (RM'000)	6,830	18,106
Weighted average number of ordinary shares to be issued pursuant to the exercise of the Warrants ('000)	2,945,570	2,945,570
Diluted earnings per share (sen)	<u>0.23</u>	<u>0.61</u>



**WIDAD GROUP BERHAD**

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(Incorporated in Malaysia)

Interim financial report for the 3<sup>rd</sup> quarter ended 30 September 2019. The figures have not been audited.

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019****B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B11 Notes to the statement of comprehensive income**

Profit for the current year quarter and current year-to-date were arrived at after crediting / (charging) the following:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/9/2019	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2018	CURRENT YEAR TO DATE 30/9/2019	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2018
	RM'000	RM'000	RM'000	RM'000
Finance income	417	410	1,342	2,413
Depreciation	(786)	(603)	(2,358)	(1,810)
Finance costs	(2,631)	(836)	(7,373)	(8,538)

Save for as disclosed above, the Group does not have any other material items to be included in the results for the current financial quarter ended 30 September 2019.