



**WIDAD GROUP BERHAD**  
Registration No.:200901014295 (857363 - U)

**INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1<sup>ST</sup> JULY TO 30<sup>TH</sup> SEPTEMBER 2021**

<b>CONTENTS</b>	<b>PAGE</b>
Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	1 – 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 – 9
Explanatory Notes Pursuant to Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad	10 – 16

**WIDAD GROUP BERHAD**

Registration No.:200901014295 (857363 - U)

Interim financial report for the 3<sup>rd</sup> quarter ended 30<sup>th</sup> September 2021. The figures have not been audited.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	QUARTER ENDED		PERIOD-TO-DATE	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	34,254	24,946	82,560	61,907
Cost of sales	(15,142)	(15,247)	(41,182)	(35,655)
<b>Gross Profit</b>	<b>19,112</b>	<b>9,699</b>	<b>41,378</b>	<b>26,252</b>
Other income	130	167	578	610
Administrative expenses	(10,638)	(5,274)	(23,935)	(15,221)
<b>Operating Profit</b>	<b>8,604</b>	<b>4,592</b>	<b>18,021</b>	<b>11,641</b>
Finance income	98	291	322	1,964
Finance costs	(2,298)	(2,552)	(7,007)	(6,772)
<b>Profit before tax</b>	<b>6,404</b>	<b>2,331</b>	<b>11,336</b>	<b>6,833</b>
Tax expense	(2,964)	(850)	(5,167)	(2,333)
<b>Profit after tax</b>	<b>3,440</b>	<b>1,481</b>	<b>6,169</b>	<b>4,500</b>
<b>Profit after tax attributable to:</b>				
Owners of the Company	<b>3,440</b>	<b>1,481</b>	<b>6,169</b>	<b>4,500</b>
<b>Earnings per share (sen)</b>				
- Basic	0.13	0.06	0.24	0.19
- Diluted	0.11	0.05	0.20	0.16

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**

Registration No.:200901014295 (857363 - U)

Interim financial report for the 3<sup>rd</sup> quarter ended 30<sup>th</sup> September 2021. The figures have not been audited.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	QUARTER ENDED		PERIOD TO DATE	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the period	3,440	1,481	6,169	4,500
<b>Other comprehensive gain net of tax, that will be reclassified subsequently to profit or loss</b>				
Fair value gain on cash flow hedge	223	-	2,520	-
Other comprehensive gain for the financial year, net of tax	223	-	2,520	-
Total comprehensive profit /(loss) for the financial year	3,663	1,481	8,689	4,500

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.

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**WIDAD GROUP BERHAD**

Registration No.:200901014295 (857363 - U)

Interim financial report for the 3<sup>rd</sup> quarter ended 30<sup>th</sup> September 2021. The figures have not been audited.**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>30.09.2021</b>	<b>Audited</b>
	<b>RM'000</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSET</b>		
Property, plant & equipment	18,838	18,093
Right-of-use of assets	42,856	42,920
Facilities and infrastructure development	182,879	-
Goodwill (Notes A12)	75,489	-
Fixed deposit	50,348	39,962
Total Non-Current Asset	<u>370,410</u>	<u>100,974.85</u>
<b>CURRENT ASSETS</b>		
Contract assets	196,283	164,647
Trade receivables	26,328	35,253
Other receivables	7,536	26,113
Derivative assets	233	-
Tax recoverable	7	3
Fixed deposits with licensed banks	20,056	20,033
Cash and bank balances	101,720	63,608
Total Current Assets	<u>352,164</u>	<u>309,657</u>
<b>TOTAL ASSETS</b>	<b><u>722,573</u></b>	<b><u>410,632</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company:</b>		
Share capital	177,792	78,300
Cash flow hedge reserve	233	(2,287)
Retained earnings	110,847	104,679
Total Equity	<u>288,873</u>	<u>180,692</u>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long term borrowings	223,373	70,163
Derivatives liabilities	-	1,352
Finance lease liabilities	30	325
Total Non-Current Liabilities	<u>223,402</u>	<u>71,840</u>
<b>CURRENT LIABILITIES</b>		
Contract liability	473	495
Trade payables	22,786	24,447
Other payables	19,064	8,987
Short term borrowings	143,179	107,345
Derivative short term liabilities	-	934
Finance lease liabilities	1,055	166
Deferred Taxation	12,189	-
Tax payable	11,552	15,725
Total Current Liabilities	<u>210,298</u>	<u>158,100</u>
Total Liabilities	<u>433,700</u>	<u>229,940</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>722,573</u></b>	<b><u>410,632</u></b>
Net assets per share attributable to equity holders of parent (RM)	<u>0.11</u>	<u>0.07</u>

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 2020 and the accompanying explanatory notes attached to these interim financial statements.

**WIDAD GROUP BERHAD**

Registration No.:200901014295 (857363 - U)

Interim financial report for the 3<sup>rd</sup> quarter ended 30<sup>th</sup> September 2021. The figures have not been audited.

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

	SHARE CAPITAL	CASH FLOW HEDGE	DISTRIBUTABLE RETAINED EARNINGS	TOTAL EQUITY
	RM'000	RM'000	RM'000	RM'000
<b>As at 1 January 2021</b>	78,300	(2,287)	104,678	180,691
Net proceed from Issuance of ordinary shares pursuant to private placement	64,130	-	-	64,130
Issuance of ordinary shares upon exercise of warrants	23,901	-	-	23,901
Issuance of ordinary shares pursuant to proposed acquisition	11,462			11,462
Profit for the financial period	-	-	6,169	6,169
Total profit or loss and other comprehensive income for the period	-	2,520	-	2,520
<b>As at 30 SEPTEMBER 2021</b>	<b>177,793</b>	<b>233</b>	<b>110,847</b>	<b>288,873</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 2020 and the accompanying explanatory notes attached to these interim financial statements.

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**WIDAD GROUP BERHAD**

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(Incorporated in Malaysia)

Interim financial report for the 3<sup>rd</sup> quarter ended 30<sup>th</sup> September 2021. The figures have not been audited.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>30.09.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	11,336	4,925
<b>Adjustments for non-cash movements:</b>		
Depreciation of property, plant and equipment	2,567	3,062
Interest expense	7,007	10,349
Interest income	(322)	(3,086)
Operating profit before working capital changes	<b>20,588</b>	<b>15,250</b>
<b>Changes in working capital:</b>		
Facilities and infrastructure development exp.	8,674	-
Contract assets	(31,659)	(6,624)
Receivables	33,455	(17,025)
Payables	(2,727)	1,797
<b>Cash from operations</b>	<b>28,331</b>	<b>(6,602)</b>
Interest paid	(581)	(896)
Interest received	39	19
Income tax paid, net of refund	(13,785)	(6,979)
<b>Net cash from operating activities</b>	<b>14,004</b>	<b>(14,459)</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of subsidiaries for cash, net of cash acquired	(86,544)	-
Purchase of property, plant and equipment	(3,223)	(2,380)
Deposit for acquisition concession	-	(18,860)
(Placement)/Withdrawal of fixed deposits	192	40,352
Interest received	283	3,067
<b>Net cash from investing activities</b>	<b>(89,292)</b>	<b>22,180</b>
<b>FINANCING ACTIVITIES</b>		
Repayment Sukuk	-	(70,000)
Repayment of borrowings	(86,267)	(75,858)
Drawdown loan (overdraft)	125,620	191,349
Proceed from issuance of shares pursuant to private placement	88,030	13,029
Withdrawal/(Placement) in Designated Bank Accounts	-	878
Advance from/(Repayment to) Ultimate Holding Company	-	(18)
Purchase through finance lease	721	-
Repayment of finance lease liabilities	(127)	(346)
Interest paid	(6,425)	(9,453)
<b>Net cash used in financing activities</b>	<b>121,552</b>	<b>49,582</b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>46,264</b>	<b>57,302</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 2020 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<sup>th</sup> September 2021. The figures have not been audited.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>30.09.2021</b>	<b>30.09.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Net changes	46,264	57,302
Brought forward	69,056	11,754
<b>Carried forward</b>	<b>115,320</b>	<b>69,056</b>
<b>Cash and cash equivalents comprise the followings:</b>		
Cash and bank balances	130,458	63,608
Fixed deposits with licensed banks	41,666	20,033
Bank overdraft	(11,820)	(9,585)
	160,304	74,056
Fixed deposits pledged with licensed banks	(44,984)	(44,962)
	<b>115,320</b>	<b>29,095</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 2020 and the accompanying explanatory notes attached to these interim financial statements.

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## **WIDAD GROUP BERHAD**

Registration No.:200901014295 (857363-U)

### **EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE 3<sup>rd</sup> QUARTER ENDED 30 SEPTEMBER 2021**

#### **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 2020 ("FYE 2020") 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 FYE 2020.

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

###### **A2.1 Adoption of Amendments/Improvements to MFRS**

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the FYE 2020 except for the adoption of the following Amendments to MFRSs which is effective beginning financial year ending 2021.

Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16, MFRS 139 and MFRS 7	Interest Reform	Rate	Benchmark
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The adoption of the above amendments to MFRSs does not have significant financial impact to the Group's result position.

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

The auditors' report on the financial statements for the financial year ended 31 December 2020 was not subject to any qualification.

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

The business operations of the Group during the financial period under review have not been materially affected by any significant seasonal or cyclical factors.

##### **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 under review.



**WIDAD GROUP BERHAD**

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE 3<sup>rd</sup> QUARTER ENDED 30 SEPTEMBER 2021****A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)****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**

There is no issuance, cancellation, repurchase, resale and repayment of debt and equity securities in the current quarter and period under review.

**A8 Dividend**

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

**A9 Segmental Reporting**

Primary reporting basis by business segments:

	CURRENT QUARTER				FINANCIAL PERIOD TO DATE			
	RM'000				RM'000			
	IFM	CONSTRUCTION	CONCESSION	TOTAL	IFM	CONSTRUCTION	CONCESSION	TOTAL
Revenue	19,304	-	14,950	34,254	51,429	1,857	29,273	82,560
<b>Segment results</b>								
Other income				130				578
Depreciation				(874)				(2,567)
Finance Cost				(2,298)				(7,007)
Finance Income				98				322
Taxation				(2,964)				(5,167)
Profit after tax				<u>3,427</u>				<u>6,156</u>

Notes:

IFM – Integrated facilities management

Concession – Construction and maintenance of facilities and infrastructure

**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 that have not been reflected in the interim financial statement.

**WIDAD GROUP BERHAD**

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE 3<sup>rd</sup> QUARTER ENDED 30 SEPTEMBER 2021****A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)****A12 Effect of changes in the Group Composition, Long Term Investments, Restructuring and Discontinued Operations**

The acquisition of Serendah Heights Sdn Bhd ("SHSB") was completed on 18 March 2021 and 5,000,000 SHSB shares was transferred to Widad on 31 March 2021.

The following summarized the major classes of consideration transferred and the recognized amount of assets and liabilities assumed for the acquisition of SHSB;

	<b>RM'000</b>
Property, plant and equipment	25
Facilities and infrastructure development	191,553
Trade and other receivable	6,168
Cash and cash equivalents	30,811
Trade and other payables	(27,815)
Borrowing	(147,606)
<b>Total identifiable assets and liabilities</b>	<b>53,136</b>
<b><u>Goodwill arising from the business combination</u></b>	
Goodwill was recognized as a result of the acquisition are as follow:	
Fair value of consideration transferred - by cash	117,358
- by shares	11,462
Fair value of consideration	128,820
Fair value of identifiable assets acquired and liabilities assumed	(53,136)
Goodwill	75,684
<b><u>Net cash outflow arising from the acquisition</u></b>	
Purchase consideration settled by cash	117,358
Cash and bank balances acquired	(30,811)
	86,547

**A13 Contingent Liabilities/Assets**

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

**A14 Capital Commitment**

There were no capital commitments as at 30 September 2021.

**A15 Significant Related Party Transactions**

	<b>QUARTER ENDED</b>		<b>PERIOD-TO-DATE</b>	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
<b><u>Group</u></b>				
Rental income of office space	147	289	294	579
<b><u>Company</u></b>				
Management fee charged to subsidiaries	750	750	2,250	2,250

**WIDAD GROUP BERHAD**

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE 3<sup>rd</sup> QUARTER ENDED 30 SEPTEMBER 2021****B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1 Review of Performance****(a) Comparison with preceding year corresponding period**

	Quarter Ended			Period-To-Date		
	30.9.2021	30.9.2020	%	30.9.2021	30.9.2020	%
	RM'000	RM'000		RM'000	RM'000	
<b>Revenue</b>						
- Construction	-	10,228	-	1,857	23,400	-92%
- IFM	19,304	14,718	31%	51,429	38,507	34%
- Concession	14,950	-	-	29,273	-	100%
Total Revenue	34,254	24,946	37%	82,560	61,907	33%
Profit before tax ("PBT")	6,404	2,331	175%	11,336	6,833	66%

The Group's revenue for the current quarter and financial period to date increased by RM9.3 million or 37% and RM20.7 million or 33% respectively compared to preceding year financial period. The improvement was mainly attributable to better performance by the IFM segment and consolidation of newly acquired concession business.

The Group's PBT for current quarter was higher by RM4.1 million or 175% against previous year quarter while PBT for nine months was RM4.5 million or 66% higher against same period last year.

Included in the administrative expenses for the current quarter are expenditures relating to fund raising exercise to finance acquisition of SHSB amounting RM2.8 million. For the nine months period ended 30 September 2021, the Group spent RM7.3 million on expenditures relating to acquisition of SHSB and fundraising exercise to finance acquisition and new share issues, comprising legal fee, professional fee, processing fee, stamp duty and agency fee.

**(b) Comparison with Preceding Quarter's Results**

	30.09.2021	30.06.2021	Variance	
	RM'000	RM'000	RM'000	%
Revenue:				
- Construction	-	-	-	
- IFM	19,304	16,765	2,538	15%
- Concession	14,950	14,323	627	4%
Total revenue	34,254	31,088	3,166	10%
Profit Before Tax ("PBT")	6,404	3,383	3,021	89%

For the quarter under review, the Group's revenue improved by RM3.2 million or 10%. Higher revenue contributed by IFM segment was attributable to works related to provisional sum and upgrading. Construction segment moved minimally during the quarter due to changes in work programs following the movement control orders.

In line with higher revenue, the Group recorded PBT of RM6.4 million as compared to RM3.4 million in preceding quarter.

## WIDAD GROUP BERHAD

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### EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE 3<sup>rd</sup> QUARTER ENDED 30 SEPTEMBER 2021

#### B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)

##### B2 Prospects

Barring any unforeseen circumstances, the Group is cautiously optimistic to continue recording decent financial results for the remaining financial year ending December 2021. As at the date of this report, the Group has an order book worth RM1.7 billion.

##### (a) Construction

This segment has remaining order book worth RM733.8 million comprising RM153.0 million from existing contracts and RM580.8 million from three new contracts secured during the financial period, namely upgrading of two water treatment plants in Kedah, construction of new secondary school in Bangi, Selangor and construction of highway in Kelantan. Additionally, the contract value of an existing project namely "Menaiktaraf Jalan Pelabuhan Utara Dari Klang Container Terminal (KCT) ke Northport, Pelabuhan Klang, Selangor" was revised upward.

##### (b) IFM

This segment has remaining order book worth RM196.6 million, derived from existing contract amounting RM149.6 million and new contracts secured during the period amounting RM47.0 million. The new projects secured are maintenance of passenger jetties in northern peninsular Malaysia, landscape maintenance for Cyberview and maintenance of Royal Brunei Naval Base via collaboration with a Brunei incorporated company.

##### (c) Concession

Widad completed the acquisition of SHSB on 19 March 2021 and 5,000,000 SHSB shares was transferred to Widad on 31 March 2021. As at the date of this report, the concession has a remaining book order amounting RM741.0 million.

##### B3 Variance of Actual Profit from Forecast Profit

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

##### B4 Taxation

Tax expenses comprise the following:

	PERIOD-TO-DATE	
	30.09.2021	30.09.2020
	RM'000	RM'000
<b>Profit before tax</b>	<b>11,336</b>	<b>6,833</b>
Tax at applicable tax rate of 24%	2,721	1,640
Expenses not deductible for tax purpose	2,446	693
<b>Tax expenses</b>	<b>5,167</b>	<b>2,333</b>

Malaysian income tax is calculated at the statutory rate of 24% of the estimated assessable profits for the financial year. The effective tax rate for the current year to date was lower than the statutory tax rate mainly due to adjustment of overprovision of tax in prior year.

## **WIDAD GROUP BERHAD**

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### **EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE 3<sup>rd</sup> QUARTER ENDED 30 SEPTEMBER 2021**

#### **B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)**

##### **B5 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 this announcement.

###### **1. Proposed Acquisition of Palm Shore Holdings Sdn Bhd (PSHSB)**

On 14 April 2021, M&A Securities Sdn Bhd ("M&A Securities"), on behalf of the Board announced that Widad Capital Sdn Bhd ("WCSB"), a subsidiary of Widad Group Berhad ("WGB") entered into a Head of Agreement ("HOA") with PSHSB and the shareholders of PSHSB (Vendors) to acquire 100% equity interest in PSHSB.

Subsequently, M&A Securities, on behalf of the Board, announced that WCSB and the Vendors have mutually agreed to extend the HOA by a further 2 months from 15 October 2021 to 14 November 2021 and further 1 month from 15 November 2021 to 14 December 2021.

###### **2. Proposed Private Placement Exercise**

On 25 February 2020, M&A Securities, on behalf of the Board announced that the Company proposes to undertake a private placement of up to 10% of the issued shares of the Company ("Private Placement").

On 3 July 2020, M&A Securities on behalf of the Board announced that Bursa Securities had approved the listing of and quotation of up to 245,464,100 placement shares to be issued pursuant to the Private Placement on the ACE Market of Bursa Securities

On 18 December 2020, M&A Securities announce that an application for extension of time of 6 months up to 2 July 2021 to complete the Private Placement has been submitted to Bursa Securities. Further to that, Bursa Securities had vide its letter dated 26 January 2021, resolve to approve the application of extension of time to complete the implementation of the Private Placement.

On 22 July 2021, on behalf of the Company, M&A Securities announced that Bursa Securities had vide its letter dated 22 July 2021, approve an extension of time of 6 months (ie. up to 1 January 2022) to complete the implementation of the Private Placement.

To date Widad issued 30,490,000 at RM0.4920 (first tranche) and 121,800,000 at RM0.4245 (second tranche) per Placement Shares and the Company is in the midst of securing potential investors for the implementation of the balance of 93,174,100 placement shares

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE 3<sup>rd</sup> QUARTER ENDED 30 SEPTEMBER 2021****B6 Group Borrowings**

	<b>30.09.2021</b>
	<b>RM'000</b>
<b>Secured Short Term Borrowings</b>	
- Bank overdraft	11,820
- Term financing	131,359
- Lease liabilities	1055
<b>Secured Long Term Borrowings</b>	
- Term financing	223,373
- Lease liabilities	30
<b>Total Group Borrowings</b>	<b>367,637</b>
Total Assets	722,573
<b>Percentage of Borrowings over Total Assets</b>	<b>51%</b>

Out of the total borrowings, RM48.51 million is denominated in foreign currency borrowings.

**B7 Derivative Financial Instrument**

	<b>Contract</b>	<b>Fair Value</b>		<b>Cash Flow</b>	<b>Gains/(losses)</b>
	<b>Notional Value</b>	<b>Asset</b>	<b>Liability</b>	<b>Hedge</b>	<b>for the period</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cross-currency interest rate swap contract</b>					
- less than 1 year	48,506	48,739	48,506	233	-
<b>Total derivative</b>	<b>48,507</b>	<b>48,739</b>	<b>48,506</b>	<b>233</b>	<b>-</b>

Simultaneously upon entering a foreign currency borrowing, the Group entered into a cross currency swap with credit-worthy Islamic financial institution in Malaysia to manage the exposure in foreign currency and profit rate risk arising from the said borrowing. The swap contract was entered to reap the benefit of lower profit rate regime and it is expected to minimise the Group's financial cost in future.

The Group uses cash flow hedge to mitigate the risk of variability of future cash flows attributable to foreign currency and profit rate fluctuations over the hedging period of the foreign currency borrowing. Where a cash flow hedge qualifies for hedge accounting, the effective portion of gains or losses on re-measuring the fair value of the hedging instrument are recognised directly in Other Comprehensive Income ("OCI") until such time as the hedged item affects profit or loss, then the gains or losses are transferred to the profit or loss. Gains or losses on any portion of the hedge determined to be ineffective are recognised immediately in the profit or loss.

The cash flow hedge of the borrowing was assessed to be highly effective and a net unrealised profit of RM223,200 (2020: RM2,286,545) relating to the hedging instrument is included in OCI. The unrealised profit recognised in OCI is equal to the change in fair value used for measuring effectiveness. There is no ineffectiveness recognised in profit or loss.

**WIDAD GROUP BERHAD**

Registration No.:200901014295 (857363-U)

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE 3<sup>rd</sup> QUARTER ENDED 30 SEPTEMBER 2021****B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)****B8 Material Litigations**

There was no pending material litigation as at the date of this report.

**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.

	Quarter Ended	
	30.09.2021	30.09.2020
Profit/(loss) after tax for the period (RM'000)	3,440	1,481
Weighted average number of ordinary shares in issue ('000)	2,562,613	2,454,642
Basic earnings/(loss) per share (sen)	0.13	0.06

**(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.

	QUARTER ENDED	
	30.09.2021	30.06.2020
Profit/(loss) after tax for the period (RM'000)	3,440	1,481
Weighted average number of ordinary shares to be issued pursuant to the exercise of the Warrants ('000)	3,121,915	2,945,570
Diluted earnings/(loss) per share (sen)	0.11	0.05

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE 3<sup>rd</sup> QUARTER ENDED 30 SEPTEMBER 2021****B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)****B11 Notes to the statement of comprehensive income**

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

	QUARTER ENDED		PERIOD-TO-DATE	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Finance income	98	291	322	1,964
Depreciation	(862)	(759)	(2,567)	(2,278)
Finance costs	(2,298)	(2,552)	(7,007)	(6,772)

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 2021.

**BY ORDER OF THE BOARD**  
**29 NOVEMBER 2021**