



WIDAD GROUP BERHAD

Registration No.: 200901014295 (857363-U)

INTERIM FINANCIAL REPORT FOR THE PERIOD FROM 1 JANUARY 2024 TO 31 MARCH 2024

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

	<u>QUARTER ENDED</u>		<u>YEAR-TO-DATE</u>	
	<u>31.3.2024</u>	<u>31.3.2023</u>	<u>31.3.2024</u>	<u>31.3.2023</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	29,739	62,781	29,739	62,781
Cost of sales	(25,593)	(56,095)	(25,593)	(56,095)
Gross profit	4,146	6,686	4,146	6,686
Other income	177	148	177	148
Administrative expenses	(8,113)	(7,734)	(8,113)	(7,734)
Operating loss	(3,790)	(900)	(3,790)	(900)
Finance income	7,111	6,999	7,111	6,999
Finance costs	(5,996)	(5,468)	(5,996)	(5,468)
(Loss) / Profit before tax	(2,675)	631	(2,675)	631
Tax expense	(1,634)	(3)	(1,634)	(3)
(Loss)/Profit after tax for the period	(4,309)	628	(4,309)	628
(Loss)/Profit for the period attributable to:				
- Owners of the Company	(4,308)	628	(4,308)	628
- Non-controlling interest	(1)	-	(1)	-
	(4,309)	628	(4,309)	628
Earnings per share (sen)				
- Basic	(0.14)	0.02	(0.14)	0.02

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.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31.3.2024	Audited
	RM'000	31.12.2023
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	15,188	15,404
Right-of-use assets	40,403	40,581
Goodwill	8,741	8,741
Contract assets	438,799	446,102
Fixed deposit with licensed banks	12,382	12,371
Deferred tax assets	8,800	8,800
Total non-current assets	524,314	531,999
Current assets		
Contract assets	275,994	300,993
Trade receivables	131,421	94,996
Other receivables	22,373	3,390
Tax Recoverable	611	-
Fixed deposits with licensed banks	332	231
Cash and bank balances	96,435	155,951
Total current assets	527,166	555,561
Total Assets	1,051,480	1,087,560
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the Company		
Share capital	303,644	303,644
Retained earnings	148,408	152,717
	452,052	456,361
Non-controlling interest	(4)	(3)
Total equity	452,048	456,358
LIABILITIES		
Non-current liabilities		
Borrowings	378,992	386,759
Lease liabilities	685	369
Deferred tax liabilities	64,425	64,425
Total non-current liabilities	444,101	451,553
Current liabilities		
Contract liabilities	29,104	31,615
Trade payables	56,677	47,265
Other payables	21,227	12,003
Borrowings	37,343	76,469
Lease liabilities	6	353
Tax payable	10,974	11,944
Total current liabilities	155,330	179,649
Total liabilities	599,432	631,202
Total Equity and Liabilities	1,051,480	1,087,560
Net Tangible Assets per share (RM)	0.14	0.14

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 2023 and the accompanying explanatory notes attached to these interim financial statements.

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

	Attributable to owners of the Group		Non-	
	Share Capital	Retained Earnings	controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000
As at 1 January 2024	303,644	152,717	(3)	456,358
(Loss)/Profit for the financial period	-	(4,308)	(1)	(4,309)
Balance as at 31 March 2024	303,644	148,408	(4)	452,048

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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 2023 and the accompanying explanatory notes attached to these interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Unaudited 31.3.2024	Audited 31.12.2023
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit / (Loss) before tax	(2,675)	(14,050)
Adjustments for;		
Depreciation of property, plant and equipment	568	2,434
Depreciation of right-of-use assets	324	1,325
Impairment loss on receivables	-	806
Finance costs	4,596	25,760
Finance income	(785)	(1,078)
Finance income arising from concession contract	(6,583)	(27,170)
Operating profit before working capital changes	(4,555)	(11,972)
Changes in working capital;		
Contract balances	38,638	(325)
Payables	21,932	(16,873)
Receivables	(55,555)	(53,480)
Cash generated from operations	460	(82,650)
Finance costs paid	(228)	(828)
Finance income received	1,777	777
Tax paid	(4,057)	(8,011)
Net cash flows from operating activities	(2,049)	(90,712)
INVESTING ACTIVITIES		
Acquisition of subsidiary	-	(9,633)
Finance income received	8	301
Placement of maintenance reserve fund	25,000	(2,606)
Placement of Designated Accounts	(19,516)	(15,205)
Purchase of property, plant and equipment	(2)	(212)
Withdrawal of fixed deposit	(2,893)	(2,893)
Advances from/(to) a related party	-	(507)
Advances from/(to) a related company	-	(100)
Net cash flows from investing activities	2,598	(30,855)

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 2023 and the accompanying explanatory notes attached to these interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(cont'd)**

	Unaudited	Audited
	31.3.2024	31.12.2023
	RM'000	RM'000
FINANCING ACTIVITIES		
Finance cost paid	4,162	(9,382)
Advances from/(to) ultimate holding company	-	114
Drawdown of borrowings	7,903	159,389
Repayment of borrowings	(28,005)	(169,769)
Repayment of lease liabilities	(163)	(409)
Proceeds from issuance of shares pursuant upon exercise of warrants	-	97,957
Proceeds from issuance of shares pursuant to private placement	-	2,936
Interest paid for Sukuk Wakalah	-	(14,128)
Net cash flow from financing activities	<u>(16,102)</u>	<u>66,709</u>
CASH AND CASH EQUIVALENTS		
Net changes	(15,555)	(54,858)
Balance brought forward	17,852	72,710
Carried forward	<u>2,296</u>	<u>17,852</u>

	Unaudited	Audited
	31.3.2024	31.12.2023
	RM'000	RM'000
Cash and cash equivalent comprise of:-		
Cash and bank balances	96,435	155,951
Fixed deposit with licensed bank	12,714	12,601
Bank overdraft	(5,832)	(11,591)
	<u>103,317</u>	<u>156,962</u>
Less:		
Designated Bank Account	(63,666)	(101,742)
Fixed deposit with licensed bank	(12,382)	(12,370)
Maintenance Reserve Fund	(24,973)	(24,997)
	<u>2,296</u>	<u>17,852</u>

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 2023 and the accompanying explanatory notes attached to these interim financial statements.

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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 statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 ("FYE 2023") and the accompanying explanatory notes attached to the interim financial statements.

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, performance and cash flow of the Group since FYE 2023.

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 2023.

The following new and amended standards are effective for the financial period beginning on or after 1 January 2024.

Amendments to MFRS 16	Leases – lease liability in a sale and leaseback
Amendments to MFRS 101	Presentation of Financial Statements – Non-current liabilities with covenants
Amendments to MFRS 101	Presentation of Financial Statements – Classification of liabilities current and non-current
Amendments to MFRS 107 and MFRS 7	Statement of Cash Flows and Financial Instruments: Disclosures: Supplier Finance Arrangements

The initial application of the above applicable amendments to standards are not expected to have material financial impact to the financial statements.

A3 AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the FYE 2023 was not subject to any qualification.

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A. EXPLANATORY NOTES PURSUANT TO MFRS 134

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.

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

On 29 March 2024, the Group paid RM25 million being second Sukuk Wakalah annual principal payment.

Other than the above, there is no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the 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	Construction	Facility Management	Total	
	RM'000	RM'000	RM'000	
Revenue	19,265	10,474	29,739	
Segment results;				
Other income	-	-	177	
Depreciation	-	-	(863)	
Finance costs	-	-	(5,996)	
Finance income #	-	-	7,111	# Includes lease
Taxation	-	-	(1,634)	rental under
Loss after tax	-	-	4,309	concession
				business

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A. EXPLANATORY NOTES PURSUANT TO MFRS 134

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.

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 quarter under review.

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 the end of the current quarter under review.

A15 SIGNIFICANT RELATED PARTY TRANSACTIONS

	QUARTER ENDED		YEAR-TO-DATE	
	31.3.2024	31.3.2023	31.3.2024	31.3.2023
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Rental of office space	147	147	147	147
<u>Company</u>				
Management fee charged to subsidiaries	1,200	1,200	1,200	1,200

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



B1 REVIEW OF PERFORMANCE

1Q2024 vs 1Q2023

	QUARTER ENDED		Variance	
	31.3.2024	31.3.2023	RM'000	%
	RM'000	RM'000	RM'000	%
<u>Revenue:</u>				
Construction	19,265	58,774	(39,509)	(67.22)
IFM	10,474	4,007	6,467	161.39
Total revenue	29,739	62,781	(33,042)	(52.63)
Gross profit	4,146	6,686		
Loss / (Profit) before tax	(2,675)	631		
Gross profit margin	13.94%	10.65%		

The Group's revenue for the first quarter of financial year 2024 ("1Q2024") was lower by 52.63% against same period preceding year ("1Q2023"). Construction activities in Kelantan was affected by flood while other projects in northern and central peninsular experienced delay in getting work permits for additional works and approval for change of design as required by local authorities.

In terms of profitability, gross profit margin improved to 13.94% in 1Q2024 (1Q2023: 10.65%). However, the gross profit achieved was insufficient to cover the administrative expenses hence resulted in loss before tax.

1Q2024 vs 4Q2023

	QUARTER ENDED		Variance	
	31.3.2024	31.12.2023	RM'000	%
	RM'000	RM'000	RM'000	%
<u>Revenue:</u>				
Construction	19,265	72,288	(53,023)	(73.35)
IFM	10,474	8,066	2,408	29.85
Total revenue	29,739	80,354	(50,615)	(62.99)
Gross profit	4,146	1,381		
Loss before tax	(2,675)	(9,631)		
Gross profit margin	13.94%	1.72%		

The decline in revenue of 62.99% was mainly due to completion of construction projects in 4Q2023 and slower construction activities as explained above during 1Q2024.

Gross profit margin for 1Q2024 improved markedly against 1Q2023 while loss before tax reduced by 72.22%, mainly contributed by IFM segment which has higher profit margin.

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



B2 COMMENTARY ON PROSPECTS

According to BNM Quarterly Bulletin 1Q2024, the Malaysian economy expanded 4.2% during first quarter 2024, attributable to higher household spending, turnaround in exports and stronger investment activities. Construction sector expanded 11.9% (4Q2023: 3.6%) during the quarter due to faster progress of civil engineering projects.

Additionally, the Department of Statistics Malaysia Quarterly Construction Statistics for 1Q2024 indicates that value of construction work surge 14.2 percent to RM36.8 billion (1Q2023: RM32.2 billion) year-on-year. Meanwhile, quarter-on-quarter comparison, the value of construction work increased 7.7%. The civil engineering sub-sector led the growth which registered an increase of 24.7%.

For the year 2024, growth of the Malaysian economy will be driven by domestic expenditure, exports recovery and investment activities arising from continued progress of multi-year projects in both private and public sectors and implementation of catalytic initiatives under the national master plan. Opportunities are abundant for the Group to reap.

In addition to present orderbook amounting RM1.6 billion, the Group will endeavor to secure more projects via tender openings arising from the projected increased in economic activities going forward. The Group is also open to expansion of business via acquisition and diversification into related businesses.

B3 VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

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

B4 TAXATION

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 income not subject to tax.

B5 STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED

There were no corporate proposals announced but not completed as at the date of this announcement.

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



B6 GROUP BORROWINGS

All borrowings are denominated in Ringgit Malaysia.

B7 MATERIAL LITIGATIONS

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

B8 DIVIDENDS

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

B9 EARNINGS PER SHARE

The basic earnings per share was calculated by dividing the profit attributable to the ordinary equity holders of the Company to the weighted average number of shares issued during the period.

	QUARTER ENDED		YEAR-TO-DATE	
	31.3.2024	31.3.2023	31.3.2024	31.3.2023
(Loss)/Profit attributable to ordinary equity holders of the Company (RM'000)	(4,309)	628	(4,309)	628
<u>Weighted average number of ordinary shares in issue ('000):</u>				
Number of ordinary shares at 1 January	3,096,453	2,809,075	3,096,453	2,809,075
Effect of ordinary shares issued during the financial period	-	9,877	-	-
Weighted average number of ordinary shares as at the financial period	3,096,453	2,818,952	3,096,453	2,809,075
Basic earnings per share (sen)	(0.14)	0.02	(0.14)	0.02

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



B10 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

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

	QUARTER ENDED		YEAR-TO-DATE	
	<u>31.3.2024</u>	<u>31.3.2023</u>	<u>31.3.2024</u>	<u>31.3.2023</u>
	RM'000	RM'000	RM'000	RM'000
Finance income	546	32	546	32
Finance lease income	6,565	6,967	6,565	6,967
Depreciation	(863)	-	(863)	-
Finance costs	(5,996)	(5,468)	(5,996)	(5,468)