



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

**INTERIM FINANCIAL REPORT  
FOR THE PERIOD FROM 1 APRIL 2024 TO 30 JUNE 2024**

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# WIDAD GROUP BERHAD

Registration No.: 200901014295 (857363-U)



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

	<u>QUARTER ENDED</u>		<u>YEAR-TO-DATE</u>	
	<u>30.6.2024</u>	<u>30.6.2023</u>	<u>30.6.2024</u>	<u>30.6.2023</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	19,261	30,853	49,000	93,634
Cost of sales	(16,204)	(28,066)	(41,797)	(84,161)
Gross profit	3,057	2,787	7,203	9,473
Other income	182	205	359	353
Administrative expenses	(6,164)	(7,728)	(14,277)	(15,462)
Operating loss	(2,925)	(4,736)	(6,715)	(5,636)
Finance income	6,868	9,795	13,979	16,794
Finance costs	(5,993)	(4,709)	(11,989)	(10,177)
(Loss) / Profit before tax	(2,050)	350	(4,725)	981
Tax expense	(932)	(6)	(2,566)	(9)
(Loss)/Profit after tax for the period	(2,982)	344	(7,291)	972
<b>(Loss)/Profit for the period attributable to:</b>				
- Owners of the Company	(2,982)	344	(7,291)	972
- Non-controlling interest	-	-	-	-
	(2,982)	344	(7,291)	972
<b>Earnings per share (sen)</b>				
- Basic	(0.10)	0.01	(0.24)	0.03

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)



## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<u>30.6.2024</u>	<u>Audited</u> <u>31.12.2023</u>
	<u>RM'000</u>	<u>RM'000</u>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	14,626	15,404
Right-of-use assets	40,090	40,581
Goodwill on consolidation	8,741	8,741
Contract assets	441,743	446,102
Fixed deposits with licensed banks	12,959	12,371
Deferred tax assets	8,800	8,800
<b>Total non-current assets</b>	<u>526,958</u>	<u>531,999</u>
<b>Current assets</b>		
Contract assets	259,700	300,993
Trade receivables	133,837	94,996
Other receivables	12,847	3,243
Tax Recoverable	796	147
Fixed deposits with licensed banks	-	231
Cash and bank balances	117,987	155,951
<b>Total current assets</b>	<u>525,167</u>	<u>555,561</u>
<b>TOTAL ASSETS</b>	<u><b>1,052,125</b></u>	<u><b>1,087,560</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	303,644	303,644
Retained earnings	145,426	152,717
	449,070	456,361
Non-controlling interest	(4)	(3)
<b>Total equity</b>	<u>449,066</u>	<u>456,358</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	379,821	386,759
Lease liabilities	584	369
Deferred tax liabilities	64,425	64,425
<b>Total non-current liabilities</b>	<u>444,830</u>	<u>451,553</u>
<b>Current liabilities</b>		
Contract liabilities	30,322	31,615
Trade payables	51,773	47,265
Other payables	27,160	12,003
Borrowings	39,683	76,469
Lease liabilities	3	353
Tax payable	9,288	11,944
<b>Total current liabilities</b>	<u>158,229</u>	<u>179,649</u>
<b>Total liabilities</b>	<u>603,059</u>	<u>631,202</u>
<b>Total Equity and Liabilities</b>	<u><b>1,052,125</b></u>	<u><b>1,087,560</b></u>
<b>Net Tangible Assets per share (RM)</b>	<u><b>0.14</b></u>	<u><b>0.14</b></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 2023 and the accompanying explanatory notes attached to these interim financial statements.

# WIDAD GROUP BERHAD

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<b>Share Capital</b>	<b>Distributable Retained Earnings</b>	<b>Attributable to Owners of the Company</b>	<b>Non- controlling Interest</b>	<b>Total Equity</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
As at 1 January 2024	303,644	152,717	456,361	(3)	456,358
(Loss)/Profit for the financial period	-	(7,291)	(7,291)	(1)	(7,292)
Balance as at 30 June 2024	303,644	145,426	449,070	(4)	449,066

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.

# WIDAD GROUP BERHAD

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>Unaudited</b> <b>30.6.2024</b>	<b>Audited</b> <b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax	(4,725)	(14,050)
<b>Adjustments for;</b>		
Depreciation of property, plant and equipment	592	2,434
Depreciation of right-of-use assets	271	1,325
Impairment loss on receivables	-	806
Finance costs	11,989	25,760
Finance income	(956)	(1,078)
Finance income arising from concession contract	(13,024)	(27,170)
Operating profit before working capital changes	(5,853)	(11,972)
Changes in working capital;		
Contract balances	53,383	(325)
Payables	16,837	(16,873)
Receivables	(49,445)	(53,480)
Cash generated from operations	14,922	(82,650)
Finance costs paid	(3,967)	(828)
Finance income received	777	777
Tax paid	(2,942)	(8,011)
Net cash flows from operating activities	8,790	(90,712)
<b>INVESTING ACTIVITIES</b>		
Acquisition of subsidiary	-	(9,633)
Finance income received	17	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)
Purchase of right-of-use assets	(455)	-
Withdrawal of fixed deposit	(2,894)	(2,893)
Advances from /(to) a related party	-	(507)
Advances from /(to) a related company	-	(100)
Net cash flows from investing activities	2,150	(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)**

	<b>Unaudited 30.6.2024 RM'000</b>	<b>Audited 31.12.2023 RM'000</b>
<b>FINANCING ACTIVITIES</b>		
Finance cost paid	(233)	(9,382)
Advances from /(to) ultimate holding company	-	114
Drawdown of borrowings	16,516	159,389
Repayment of borrowings	(31,011)	(169,769)
Repayment of lease liabilities	(248)	(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	(6,859)	(14,128)
Net cash flow from financing activities	<u>(21,834)</u>	<u>66,709</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Net changes	(10,894)	(54,858)
Balance brought forward	17,852	72,710
Carried forward	<u>6,958</u>	<u>17,852</u>
Cash and cash equivalent comprise of:-		
Cash and bank balances	117,987	155,951
Fixed deposit with licensed bank	12,959	12,601
Bank overdraft	<u>(4,525)</u>	<u>(11,591)</u>
	126,421	156,962
Less:		
Designated Bank Account	(78,896)	(101,742)
Fixed deposit with licensed bank	(12,959)	(12,370)
Maintenance Reserve Fund	<u>(27,608)</u>	<u>(24,997)</u>
	<u>6,958</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.

# WIDAD GROUP BERHAD

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## A. EXPLANATORY NOTES PURSUANT TO MFRS 134

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### 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.

# WIDAD GROUP BERHAD

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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			Year-to-date		
	Construction	Facility Management	Total	Construction	Facility Management	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Current Quarter</b>						
<b>Revenue</b>	10,459	8,802	19,261	29,724	19,276	49,000
<b>Segment results;</b>						
Finance income #	-	-	6,868	-	-	13,979
Finance costs	-	-	(5,993)	-	-	(11,989)
Depreciation	-	-	(920)	-	-	(1,783)
Taxation	-	-	(932)	-	-	(2,566)
Loss after tax	-	-	(2,982)	-	-	(7,291)

# Includes lease rental under concession business



# WIDAD GROUP BERHAD

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## A. EXPLANATORY NOTES PURSUANT TO MFRS 134

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### 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	
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM'000	RM'000	RM'000	RM'000
<b><u>Group</u></b>				
Rental of office space	147	147	294	294
<b><u>Company</u></b>				
Management fee charged to subsidiaries	1,200	1,200	2,400	2,400


**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**
**B1 REVIEW OF PERFORMANCE**
**2Q2024 vs 2Q2023**

	QUARTER ENDED			YEAR-TO-DATE		
	30.6.2024	30.6.2023	Variance	30.6.2024	30.6.2023	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
<u>Revenue:</u>						
Construction	10,459	27,944	(62.6)	29,724	86,716	(65.7)
IFM	8,802	2,909	202.6	19,276	6,918	178.6
Total revenue	19,261	30,853	(37.6)	49,000	93,634	(47.7)
Gross profit	3,057	2,787	9.7	7,203	9,473	(24.0)
(Loss) / Profit before tax	(2,050)	350	(685.7)	(4,725)	981	(581.7)
Gross profit margin	15.9%	9.0%	75.7	14.7%	10.1%	45.3

The Group's revenue for the second financial quarter ended 30 June 2024 ("2Q2024") and six months financial period ended 30 June 2024 (6M2024") was 37.6% and 47.7% lower against same period preceding year respectively. Lower construction revenue was attributable to lower sales from three projects which are at tail-end. Higher revenue from IFM segment was contributed by new projects obtained and new concession acquired previous year.

In terms of profitability, the gross profit margin improved to 15.9% in 2Q2024 (2Q2023: 9.0%) and 14.7% in 6M2024 (6M2023: 10.1%). However, the lower gross profit amount achieved due to lower revenue and low net finance income was insufficient to cover administrative expenses, hence resulted in loss before tax.

**2Q2024 vs 1Q2024**

	QUARTER ENDED		
	30.6.2024	31.3.2024	Variance
	RM'000	RM'000	%
<u>Revenue:</u>			
Construction	10,459	19,265	(45.7)
IFM	8,802	10,474	(16.0)
Total revenue	19,261	29,739	(35.2)
Gross profit	3,057	4,146	(26.3)
Loss before tax	(2,050)	(2,675)	(23.4)
Gross profit margin	15.87%	13.94%	13.8

Revenue declined 35.2% mainly due to lower sales contribution from three construction projects which are at tail-end stage.

Gross profit was lower by 26.3% against 1Q2024 as a result of lower revenue while administrative expenses improved 26.3% to RM6.2 million (1Q2024: RM8.1 million). In tandem with the lower revenue and gross profit, the Group recorded loss before tax during 2Q2024, albeit lower than 1Q2024.

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

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**B2 COMMENTARY ON PROSPECTS**

For the second quarter 2024, the gross domestic product grew 5.9% during (1Q2024: 4.2%), supported by stronger expansion in investment activities, improving exports and household spending. The construction sector contributed 17.3% (1Q2024: 11.9%) to the economic growth.

In terms of value of construction work done, the Department of Statistics Malaysia reported an increase of 20.2% to RM38.9 billion (2Q2023: RM36.8 billion). Meanwhile, on quarter-on-quarter comparison, the value of construction work done increased 5.7%, contributed mainly by the civil engineering and non-residential sub-sectors.

For the second half of the year, the Malaysian economy is expected to continue the growth momentum, driven mainly by firm expansions in investment activity and resilient household spending, with larger support from exports recovery. Investment activities will be supported by continued implementation of multi-year projects in both the private and public sectors and augmented by the implementation of catalytic initiatives under the national master plans, as well as the higher realisation of approved investments. The growth in economy led by the construction sector provides opportunities for greater demand for construction and facility management services in Malaysia.

The Group remains committed in growing the business further through active participation in tenders for construction and facility management projects and to pursue potential merger and acquisition and strategic collaboration opportunities that synergise with its core business segments. In ensuring profitability and steady cashflow, the Group is also continuously monitoring and steering its business operations towards greater level of efficiency, productivity and competitiveness.

Premised on the positive outlook of the construction sector and an order book of RM1.53 billion as at the reporting date, Widad is optimistic to drive the Group forward and solidify its position in the construction and facility management business in Malaysia.

**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 higher than the statutory tax rate mainly due to expenses not deductible for tax purposes.

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

On 5 August 2024, M & A Securities Sdn Bhd, 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.

The application to Bursa Securities in relation to the Proposed Private Placement is expected to be made in due time.

**B6 GROUP BORROWINGS**

	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>
	RM'000	RM'000	RM'000
Term Loan	48,409	-	48,409
Revolving credit	11,622	4,525	16,147
Sukuk Wakalah	354,948	-	354,948
	<u>414,978</u>	<u>4,525</u>	<u>419,503</u>
Total Assets			<u>1,052,125</u>
Borrowings over Total Assets;			39.87%
<b><u>Repayable:</u></b>			
- within one year			39,683
- within more than one year			<u>379,821</u>
			<u>419,503</u>

**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.


**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**
**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	
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
(Loss)/Profit attributable to ordinary equity holders of the Company (RM'000)	(2,982)	344	(7,291)	972
Weighted average number of ordinary shares in issue ('000)	3,096,453	2,895,678	3,096,453	2,895,678
Basic earnings per share (sen)	(0.10)	0.01	(0.24)	0.03

**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	
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM'000	RM'000	RM'000	RM'000
Finance income	410	2,964	956	2,996
Finance lease income	6,458	6,831	13,023	13,798
Depreciation	(920)	(941)	(1,783)	(1,829)
Finance costs	(5,993)	(4,709)	(11,989)	(10,177)