



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

**INTERIM FINANCIAL REPORT
FOR THE PERIOD FROM 1 JULY 2024 TO 30 SEPTEMBER 2024**

CONTENTS	PAGE
Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	1
Unaudited Condensed Consolidated Statement of Financial Position	2
Unaudited Condensed Consolidated Statement of Changes in Equity	3
Unaudited Condensed Consolidated Statement of Cash Flows	4
Explanatory Notes Pursuant to MFRS 134	5 – 7
Explanatory Notes Pursuant to Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad	8 – 12

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>30.09.2024</u>	<u>30.09.2023</u>	<u>30.09.2024</u>	<u>30.09.2023</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	28,651	56,624	77,651	150,258
Cost of sales	(26,018)	(51,032)	(67,815)	(135,193)
Gross profit	2,633	5,592	9,836	15,065
Other income	182	155	541	508
Administrative expenses	(5,459)	(6,929)	(19,736)	(22,391)
Operating loss	(2,644)	(1,182)	(9,359)	(6,818)
Finance income	6,908	4,010	20,887	20,804
Finance costs	(5,938)	(8,180)	(17,927)	(18,357)
(Loss) / Profit before tax	(1,674)	(5,352)	(6,399)	(4,371)
Tax expense	(466)	(2,295)	(3,032)	(2,304)
(Loss)/Profit after tax for the period	<u>(2,140)</u>	<u>(7,647)</u>	<u>(9,431)</u>	<u>(6,675)</u>
(Loss)/Profit for the period attributable to:				
- Owners of the Company	(2,140)	(7,647)	(9,371)	(6,675)
- Non-controlling interest	-	-	(60)	-
	<u>(2,140)</u>	<u>(7,647)</u>	<u>(9,431)</u>	<u>(6,675)</u>
Earnings per share (sen)				
- Basic	<u>(0.07)</u>	<u>(0.26)</u>	<u>(0.30)</u>	<u>(0.23)</u>

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

	30.09.2024	Audited
	RM'000	31.12.2023
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	14,051	15,404
Right-of-use assets	39,771	40,581
Goodwill on consolidation	8,741	8,741
Contract assets	434,082	446,102
Fixed deposits with licensed banks	13,376	12,371
Deferred tax assets	8,800	8,800
Total non-current assets	518,821	531,999
Current assets		
Contract assets	255,448	300,993
Trade receivables	143,307	94,996
Other receivables	18,567	3,243
Tax Recoverable	886	147
Fixed deposits with licensed banks	-	231
Cash and bank balances	110,619	155,951
Total current assets	528,827	555,561
TOTAL ASSETS	1,047,648	1,087,560
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the Company		
Share capital	303,644	303,644
Retained earnings	143,286	152,717
	446,930	456,361
Non-controlling interest	(64)	(3)
Total equity	446,866	456,358
LIABILITIES		
Non-current liabilities		
Borrowings	377,628	386,759
Lease liabilities	767	369
Deferred tax liabilities	64,425	64,425
Total non-current liabilities	442,820	451,553
Current liabilities		
Contract liabilities	31,490	31,615
Trade payables	58,679	47,265
Other payables	23,026	12,003
Borrowings	38,178	76,469
Lease liabilities	-	353
Tax payable	6,589	11,944
Total current liabilities	157,962	179,649
Total liabilities	600,782	631,202
Total Equity and Liabilities	1,047,648	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.

WIDAD GROUP BERHAD

Registration No.: 200901014295 (857363-U)



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Distributable Retained Earnings	Attributable to Owners of the Company	Non- controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2024	303,644	152,717	456,361	(3)	456,358
Loss for the financial period	-	(9,431)	(9,431)	(61)	(9,492)
Balance as at 30 September 2024	303,644	143,286	446,930	(64)	446,866

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

Registration No.: 200901014295 (857363-U)



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 30.09.2024 RM'000	Audited 31.12.2023 RM'000
OPERATING ACTIVITIES		
Loss before tax	(6,399)	(14,050)
Adjustments for;		
Depreciation of property, plant and equipment	1,635	2,434
Depreciation of right-of-use assets	955	1,325
Impairment loss on receivables	-	807
Finance costs	17,927	25,760
Finance income	(1,409)	(1,078)
Finance income arising from concession contract	(19,477)	(27,170)
Operating profit before working capital changes	(6,768)	(11,972)
Changes in working capital;		
Contract balances	75,870	(325)
Payables	(67,136)	(16,873)
Receivables	18,348	(53,480)
Cash generated form operations	20,314	(82,650)
Finance costs paid	(679)	(828)
Finance income received	1,332	777
Tax paid	(6,095)	(8,011)
Net cash flows from operating activities	14,872	(90,712)
INVESTING ACTIVITIES		
Acquisition of subsidiary	-	(9,633)
Finance income received	48	301
Placement of maintenance reserve fund	(1,695)	(2,606)
Placement of designated accounts	22,449	(15,205)
Purchase of property, plant and equipment	(13)	(212)
Purchase of right-of-use assets	(324)	-
Withdrawal of fixed deposit	(809)	(2,893)
Advances from /(to) a related party	-	(507)
Advances from /(to) a related company	-	(100)
Net cash flows from investing activities	19,656	(30,855)
FINANCING ACTIVITIES		
Finance cost paid	(15,911)	(23,510)
Advances from /(to) ultimate holding company	-	114
Drawdown of borrowings	10,885	159,389
Repayment of borrowings	(46,696)	(169,769)
Repayment of lease liabilities	(352)	(409)
Proceeds from issuance of shares pursuant to private placement and upon exercise of warrants	-	100,894
Net cash flow from financing activities	(52,074)	66,709
CASH AND CASH EQUIVALENTS		
Net changes	(17,546)	(54,858)
Balance brought forward	17,852	72,710
Carried forward	306	17,852
Cash and cash equivalent comprise of:-		
Cash and bank balances	110,619	155,951
Fixed deposit with licensed bank	13,376	12,601
Bank overdraft	(4,523)	(11,591)
	119,472	156,962
Less:		
Designated Bank Account	(79,293)	(101,742)
Fixed deposit with licensed bank	(13,180)	(12,370)
Maintenance Reserve Fund	(26,693)	(24,997)
	306	17,852

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.



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 as current or 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

Registration No.: 200901014295 (857363-U)



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:

<u>Current Quarter</u>	<u>Current Quarter</u>			<u>Year-to-date</u>		
	<u>Construction</u>	<u>Facility Management</u>	<u>Total</u>	<u>Construction</u>	<u>Facility Management</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	21,137	7,522	28,659	50,853	26,798	77,651
Segment results;						
Finance income #	-	-	6,908	-	-	20,887
Finance costs	-	-	(5,938)	-	-	(17,927)
Depreciation	-	-	(981)	-	-	(2,764)
Taxation	-	-	(466)	-	-	(3,032)
Loss after tax	-	-	(2,139)	-	-	(9,431)

Includes lease rental under concession business

WIDAD GROUP BERHAD

Registration No.: 200901014295 (857363-U)



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

There were no related party transactions as at the end of the current quarter under review.


B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
B1 REVIEW OF PERFORMANCE
3Q2024 vs 3Q2023

	QUARTER ENDED			YEAR-TO-DATE		
	30.09.2024	30.09.2023	Variance	30.09.2024	30.09.2023	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
<u>Revenue:</u>						
Construction	21,137	46,767	(54.8)	50,853	133,483	(61.9)
IFM	7,522	9,857	(23.7)	26,798	16,775	59.7
Total revenue	28,659	56,624	(49.4)	77,651	150,258	(48.3)
Gross profit	2,633	5,592	(52.9)	9,836	15,065	(34.7)
(Loss) / Profit before tax	(1,674)	(5,352)	(68.7)	(6,399)	(4,371)	46.4
Gross profit margin	9.2%	9.9%	(7.1)	12.7%	10.0%	26.3

The Group's revenue for the third financial quarter ended 30 September 2024 ("3Q2024") was 49.4% lower than third financial quarter ended 30 September 2023 ("3Q2023"). However, the Group's loss before tax for 3Q2024 improved 68.7% against 3Q2023 due mainly to reduction of administrative expenses amounting RM1.47 million and net finance income of RM0.97 million.

For the nine months period ending 30 September 2024 ("9M2024"), the Group's revenue was 48.3% lower against same period preceding year ("9M2023"), hence resulted in lower gross profit. During the period under review, administrative expenses reduced by RM2.6 million while net finance income increased by RM0.5 million. However, due to lower gross profit, the Group reported higher loss before tax and loss after tax for 9M2024 against 9M2023.

3Q2024 vs 2Q2024

	QUARTER ENDED		
	30.09.2024	30.06.2024	Variance
	RM'000	RM'000	%
<u>Revenue:</u>			
Construction	21,137	10,459	102.1
IFM	7,522	8,802	(14.5)
Total revenue	28,659	19,261	48.8
Gross profit	2,633	3,057	(13.9)
Loss before tax	(1,674)	(2,050)	(18.3)
Gross profit margin	9.2%	15.9%	(42.1)

The Group achieved 48.8% higher revenue during 3Q2024 against preceding financial quarter ended 30 June 2024 ("2Q2024"). The construction activities were higher during the quarter under review. Lower IFM revenue mainly due to lower additional works from the concession business.

Nevertheless, lower gross profit margin in 3Q2024 of 9.2% against 15.9% in 2Q2024 has denied the Group's opportunity to break even. The construction segment which contributed 73.8% (2Q2024: 54.3%) of the Group's revenue, has low gross profit margin, hence pulled down the overall gross profit and gross profit margin of the Group.

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

B2 COMMENTARY ON PROSPECTS

The Group has been gradually reducing its losses from RM4.3 million for the first quarter of 2024 to RM2.1 million for the third quarter of 2024. This were mainly attributable to increased activities in all business segments, strict control of overhead expenses and lower finance costs.

For the remaining quarter of 2024, the Group will continue its efforts to increase the business activities, be prudent in its spending and endeavor to manage its business operations efficiently and effectively. The Group's earnings visibility in the coming quarter and years are sustainable with the outstanding orderbook of RM1.52 billion as at 30 September 2024.

Barring any unforeseen circumstances, the Board of Directors is cautiously optimistic about the prospects of the Group for the Financial Year 2024.

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****1. PROPOSED PRIVATE PLACEMENT**

On 5 August 2024, M & A Securities Sdn Bhd (“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. Subsequently, M&A Securities announced that the listing application to Bursa Securities in relation to the Proposed Private Placement has been submitted on 30 August 2024.

On 20 September 2024, on behalf of the Board, M & A Securities announced that Bursa Securities had, vide its letter dated 20 September 2024 (“**Approval Letter**”), approved the listing and quotation of up to 309,645,300 new Widad Shares representing not more than 10.00% of the issued shares of the Company pursuant to the Proposed Private Placement subject to the following conditions:

1. Widad and M & A Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Private Placement;
2. Widad and M & A Securities to inform Bursa Securities upon the completion of the Proposed Private Placement;
3. Widad to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed;
4. M & A Securities to furnish Bursa Securities with details of the placees as per Rule 6.16 of the Listing Requirements for its review, prior to the issuance/allotment of the Placement Shares; and
5. Widad is required to make quarterly updates via Bursa LINK (simultaneous with the submission of Quarterly Report and in the form of General Announcement for PLC) on the following:
 - (a) The status on each of the event, project or purpose for which the total proceeds raised from the Proposed Private Placement are utilised for, including but not limited to, the percentages of completion of projects / initiatives;
 - (b) Where relevant, details on where the balance of proceeds raised is being placed (pending utilisation). If it is parked with asset management company / fund manager, to disclose the name of the asset management company / fund manager; and
 - (c) The summary of Placement Shares issued and allotted as follows:
 - (i) Date of price fixing and issuance date of Placement Shares (for each tranche);
 - (ii) Quantity of Placement Shares issued and allotted (for each tranche);
 - (iii) Issue price and basis in arriving at (for each tranche); and
 - (iv) Aggregate number of placement shares issued and allotted as at the end of each quarter.



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

2. PROPOSED ACQUISITION OF LAND

On 11 September 2024, the Board of Directors of Widad announced that the Company has entered into a Heads of Agreement (“HOA”) with Guper Bonded Warehouse Sdn. Bhd. (“the Vendor”) in relation to the acquisition of five (5) adjoining parcels of vacant industrial land measuring approximately 56,231 square metres in aggregate held under respective freehold individual titles (“Land”) being stipulated under Appendix I of the HOA (“Proposed Acquisition”) at the purchase price to be determined later by Widad and the Vendor (hereinafter referred to as the “Purchase Price”), upon the terms and conditions contained in the HOA and subject to the terms and conditions as may be determined in the sale purchase agreement (“SPA”) (hereinafter referred to as the “Proposed Sale and Purchase”).

As at the date of this report, valuation of the Land has been completed while terms and conditions of the SPA is being finalised.

B6 GROUP BORROWINGS

	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Term Loan	148,807	-	148,807
Revolving credit	10,972	4,523	15,495
Sukuk Wakalah	251,505	-	251,505
	<u>411,284</u>	<u>4,523</u>	<u>415,806</u>
Total Assets			<u>1,047,648</u>
Borrowings over Total Assets;			39.69%
<u>Repayable:</u>			
- within one year			38,178
- within more than one year			<u>377,628</u>
			<u>415,806</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	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Loss attributable to ordinary equity holders of the Company (RM'000)	(2,140)	(7,647)	(9,431)	(6,675)
Weighted average number of ordinary shares in issue ('000)	3,096,453	2,919,786	3,096,453	2,919,786
Basic earnings per share (sen)	<u>(0.07)</u>	<u>(0.26)</u>	<u>(0.30)</u>	<u>(0.23)</u>

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	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Finance income	454	-	1,410	284
Finance lease income	6,454	4,010	19,477	20,520
Depreciation	(981)	(946)	(2,764)	(2,206)
Finance costs	(5,938)	(8,180)	(17,927)	(18,357)