WATTA HOLDING BERHAD (324384-A) Announcement Date: 29 NOVEMBER 2013
Quarter 4 Year 2013 (July 2013 – September 2013)
Financial Year 2013 (October 2012 – September 2013)

The Board of Directors of Watta Holding Berhad (hereinafter referred to as “WATTA” or “the Company) hereby announce the following unaudited results for the fourth quarter ended 30 September 2013.

A. PRESENTATION OF RESULTS
I) CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	4th Quarter		Year to Date	
	Current Year	**Previous Year**	**Current Year**	**Previous Year**
for the financial year ended	**30.09.2013 (RM’000)**	**30.09.2012 (RM’000)**	**30.09.2013 (RM’000)**	**30.09.2012 (RM’000)**
Revenue	9,157	6,474	30,369	24,363
Interest income from fixed deposits	68	255	536	800
Other income	696	95	1,881	520
Gain on fair value change of investment properties	0	0	0	0
Depreciation and amortisation	(151)	(73)	(501)	(219)
Impairment loss on trade receivables	0	0	(16)	(24)
Write off of receivables	0	(906)	0	(906)
Unrealised/realised (Loss)/Gain on forex	119	(265)	279	(243)
Cost of sales and Administration expenses	(8,351)	(6,250)	(29,804)	(24,083)
Profit/(Loss) from operation	**1,538**	**(670)**	**2,744**	**208**
Finance cost	(101)	(59)	(281)	(193)
Profit/(Loss) before taxation	**1,437**	**(729)**	**2,463**	**15**
Taxation	(305)	57	(578)	(288)
Profit/(Loss) net of taxation	**1,132**	**(672)**	**1,885**	**(273)**
Profit/(Loss) attributable to:				
Equity holders of the parent	768	(74)	1,442	387
Non-controlling interests	364	(598)	443	(660)
	1,132	**(672)**	**1,885**	**(273)**
Total comprehensive income attributable to:				
Equity holders of the parent	768	(74)	1,442	387
Non-controlling interests	364	(598)	443	(660)
	1,132	**(672)**	**1,885**	**(273)**
Earnings per share attributable to equity holders of the parent (sen):				
Basic	0.91	(0.09)	1.71	0.46
Diluted	N/A	N/A	N/A	N/A

The unaudited condensed statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 September 2012 and the accompanying explanatory notes that form an integral part of the Interim Financial Statements.

A. PRESENTATION OF RESULTS (cont.)
II) CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at	UNAUDITED 30.09.2013 (RM'000)	30.09.2012 (RM'000)	01.10.2011 (RM'000)
ASSETS		(Restated)	(Restated)
Non-current assets			
Property, plant and equipment	9,137	6,937	15,085
Investment properties	21,151	21,151	13,146
Other investments	5	924	924
Goodwill	4,803	0	0
Total non-current assets	**35,096**	**29,012**	**29,155**
Current Assets			
Inventories	3,918	3,825	4,855
Trade receivables	6,598	9,475	10,585
Other receivables, deposits & prepayment	1,887	1,754	598
Fixed deposits with licensed banks	14,692	23,104	21,880
Cash and bank balances	9,301	5,527	4,419
Total current assets	**36,396**	**43,685**	**42,337**
TOTAL ASSETS	**71,492**	**72,697**	**71,,492**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	42,240	42,240	42,240
Retained profit	14,866	15,536	15,149
Equity attributable to equity holders of the parent	**57,106**	**57,776**	**57,389**
Non-controlling interests	3	(440)	220
Total equity	**57,109**	**57,336**	**57,609**
Non-current liabilities			
Deferred taxation	5,412	5,300	5,333
Long term borrowing	981	0	
Current Liabilities			
Bank borrowings	2,383	6,157	3,993
Trade payables	2,643	729	1,328
Other payables and accruals	2,675	3,164	3,216
Finance lease payable	140	0	0
Tax payable	149	11	13
Total current liabilities	**7,990**	**10,061**	**8,550**
Total equity and liabilities	**71,492**	**72,697**	**71,492**
Net assets	**57,106**	**57,776**	**57,389**
Net assets per share attributable to ordinary equity holders of the parent	**RM0.68**	**RM0.68**	**RM0.68**

The unaudited condensed statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 September 2012 and the accompanying explanatory notes that form an integral part of the Interim Financial Statements.

A. PRESENTATION OF RESULTS (cont.)

III) CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended	Current Year 30.09.2013 (RM'000) (Unaudited)	Previous Year 30.09.2012 (RM'000) (Audited)
Profit before taxation	2,463	15
Adjustments for:-		
Professional fee on acquisition of subsidiaries	142	0
Depreciation of property, plant and equipment	501	219
Impairment loss on trade receivables	16	24
Bad debts written off	0	907
Gain on disposal of property, plant and equipment	(51)	0
Interest expenses	281	193
Interest income	(536)	(800)
Reversal of impairment on trade receivables	(583)	(947)
Unrealised loss/(gain) on foreign exchange	279	240
Operating profit before working capital changes	2,512	(149)
Changes in working capital :		
Inventories	(93)	1,030
Receivables	3,311	(251)
Payables	3,054	(649)
Cash generated from/(used in) operations	8,784	(19)
Interest received	536	800
Interest paid	(281)	(193)
Income tax paid	(340)	(348)
Net cash generated from operating activities	**8,699**	**240**
Investing activities		
Proceed from disposal of property, plant and equipment	54	0
Net cash outflow on acquisition of subsidiaries	(7,311)	0
Purchase of property, plant and equipment	(315)	(76)
Net cash used in investing activities	**(7,572)**	**(76)**
Financing activities		
(Repayment)/Proceed of bank borrowings	(3,774)	2,164
Repayment of finance lease payables	(125)	0
Dividend payment	(2,112)	0
Increased in fixed deposit pledged	(1)	(1)
Net cash (used in)/from financing activities	**(6,012)**	**2,163**
Net (decreased)/ increase in cash and cash equivalents	**(4,885)**	**2,327**
Foreign exchange differences	**247**	**4**
Cash and cash equivalents at beginning of financial year	**28,593**	**26,262**
Cash and cash equivalents at end of financial year	**23,955**	**28,593**
Cash and cash equivalents comprise:		
Cash and bank balances	9,301	5,527
Fixed deposit with licensed banks	14,692	23,103
Total	23,993	28,630
Less : Fixed deposit pledged with a licensed bank	(38)	(37)
	23,955	**28,593**

The unaudited condensed statement of cash flows should be read in conjunction with the audited financial statements for the year ended 30 September 2012 and the accompanying explanatory notes that form an integral part of the Interim Financial Statements.

A. PRESENTATION OF RESULTS (cont.)

IV) CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Non-distributable		Distributable			
	Share Capital	**Revaluation Reserve**	**Retained Profits**	**Total**	**Non-Controlling Interest**	**Total Equity**
	(RM'000)	**(RM'000)**	**(RM'000)**	**(RM'000)**	**(RM'000)**	**(RM'000)**
12 months ended 30 Sept 2012						
Balance as of 1 October 2011	42,240	0	15,149	57,389	220	57,609
Net profit/(loss) for the period, representing total comprehensive income	0	0	387	387	(660)	(273)
Balance as of 30 Sept 2012 (Restated)	**42,240**	**0**	**15,536**	**57,776**	**(440)**	**57,336**
12 months ended 30 Sept 2013						
Balance as of 1 October 2012	42,240	0	15,536	57,776	(440)	57,336
Net profit/(loss) for the period, representing total comprehensive income	0	0	1,442	1,442	443	1,885
Dividend payment	0	0	(2,112)	(2,112)	0	(2,112)
Balance as of 30 Sept 2013 (unaudited)	**42,240**	**0**	**14,866**	**57,106**	**3**	**57,109**

The unaudited condensed statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 September 2012 and the accompanying explanatory notes that form an integral part of the Interim Financial Statements.

B. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
(the figures have not been audited)

1. Basis of preparation and changes in Accounting Policies

The condensed consolidated interim financial report is unaudited and has been prepared in accordance with the requirement of Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting and Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 September 2012.

This condensed report is the Group's first MFRS compliant condensed report for the twelve months ended 30 September 2013 and in which MFRS 1: *First Time Adoption of Malaysian Financial Standards* has been applied. The MFRS are effective for the Group from 1 October 2012 and the date of transition to the MFRS framework for the purpose of the first MFRS compliant condensed report is 1 October 2011. The Group reviewed its accounting policies and considered transitional opportunities under MFRS on this date.

The following notes explain the events and transactions that are significant to an understanding of the changes in the financial position and performance of Watta Holding Berhad ("WATTA") and its subsidiary companies (hereinafter referred to as the "Group") during the financial year under review.

The audited financial statements of the Group for the financial year ended 30 September 2012 were prepared in accordance with Financial Reporting Standards ("FRS"). With the exception of certain differences, the requirements under FRS and MFRS are similar. Except as disclosed below, the accounting policies adopted in preparing this interim report with MFRS is consistent with those used in the Audited Financial Statements of the Group for the financial year ended 30 September 2012.

a) Property, Plant and Equipment,
b) Investment Properties

The Group has previously recorded its land and buildings at revalued amount, which is the fair value at the date of the revaluation less accumulated depreciation and any accumulated impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers.

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value with any change therein recognised in statements of comprehensive income. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gains or losses arising from changes in the fair values of investment properties are recognized in the profit or loss in the year in which they arise.

Upon transition to MFRS, the Group has elected to measure all its properties, plant and equipment and investment properties using cost model under MFRS 116 Property, Plant and Equipment and MFRS 140 Investment Properties respectively. At the date of transition to MFRS, the Group elected to regard the fair value amounts as at 1 October 2011 as deemed cost as these amounts were broadly comparable to fair value at that date.

The impact arising from the change is summarised as follows:

	As at 01.10.2011	As at 30.09.2012
	RM'000	RM'000
Consolidated statement of financial position		
Property, plant & equipment	10,685	-
Investment properties	4,978	623
Deferred tax	(4,361)	(156)

Asset revaluation reverse	1,340	8,908
Retained earnings	12,642	9,375
Consolidated statement of comprehensive income		
Fair value as deemed cost	12,642	9,375
Asset revaluation	(1,340)	(8,908)

Other than the above stated, the adoption of new MFRS has had no significant financial effect on this interim report.

2. **Qualification of annual financial statements**
There was no audit qualification on the financial statements of the Company and its subsidiary companies for the financial year ended 30 September 2012.

3. **Seasonal and cyclical factors**
The business operations for the Group were not materially affected by any seasonal or cyclical factors during the financial year under review.

4. **Unusual and material items affecting assets, liabilities, equity, net income or cash flow**
On 28 February 2013, the Company had completed the acquisition of 100% equity interest in Mobile Technic Sdn Bhd ("MTSB") and SEMS Services Sdn Bhd ("SEMS"). Upon the acquisition, MTSB and SEMS became subsidiaries of the Group. Both MTSB and SEMS, unlisted companies incorporated in Malaysia, are involved in the servicing of mobile telecommunication products.

The fair values of the identifiable assets and liabilities of MTSB and SEMS as at the date of acquisition were:

	MTSB(RM'000)	SEMS(RM'000)	TOTAL(RM'000)
Property, plant and equipment	1,860	126	1,986
Investment	5	0	5
Trade and other receivables	2,274	658	2,932
Inventories	238	329	567
Cash and cash equivalents	493	638	1,131
	4,870	1,751	6,621
Trade and other payables	(1,236)	(1,687)	(2,923)
Finance lease payable	(148)	0	(148)
Income tax payable	(53)	0	(53)
	(1,437)	(1,687)	(3,124)
Net identifiable assets	3,433	64	3,497

Total cost of business combination:

The total cost of the business combination and the effect of acquisition on cash flow is as follow:

	RM'000
Cash paid	8,300
Directly attributable professional fees	142
	8,442
Less : Cash and cash equivalents of subsidiaries acquired	(1,131)
Net cash outflow on acquisition	7,311

Goodwill arising on acquisition:

	RM'000
Cost of business combination	8,300
Less : Group's interest in fair value of net identifiable assets	(3,497)
Goodwill on acquisition	4,803

Impact of acquisition in Statement of Comprehensive Income

From the date of acquisition, the subsidiaries have contributed a profit of RM1.32 million to the Group's profit before tax.

5. Material changes in estimates

There were no material changes in the estimates of amounts reported during the financial year under review.

6. Debts and equity securities

The Company has not issued any new shares or debentures during the financial year under review.

7. Dividend paid

The Company had paid a First Interim Dividend of 2.50 sen (tax exempt) per share for the financial year ending 30 September 2013 (30 September 2012: NIL). The dividend amounted to RM2,111,999.98 had been paid on 19 August 2013 to shareholders registered in the Record of Depositors on 29 July 2013 .

8. Segmental reporting

The Group business segmental information is as follow. As the Group operates predominantly in Malaysia, the geographical segmental information is not presented.

	Trading	**Services**	**Investment Holding**	**Elimination**	**Consolidated**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
External sales	21,039	9,330	-	-	30,369
Inter-segment sales	-	-	216	(216)	-
Total revenue	21,039	9,330	216	(216)	30,369
Results					
Segment results	2,193	1,378	(1,167)	(216)	2,188
Profit from operations					2,188
Interest income					556
Interest expenses					(281)
Profit before tax					2,463
Income tax expenses					(578)
Profit for the financial year					**1,885**

9. Valuation of property, plant and equipment and investment properties

The Group did not carry out any valuation on its property, plant and equipment during the financial year under review.

10. Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the financial year reported that have not been reflected in the financial statements.

11. Changes in the composition of the Group

Save for the disclosure Note 4 above, there were no changes in the composition of the Group for the financial year under review.

12. Contingent liabilities

Unsecured corporate guarantees were given to various institutions for facilities granted to subsidiary companies amounted to RM4.31 million.

13. Capital commitments

There were no capital commitments incurred by the Group to any parties as at 30 September 2013.

14. Related party transactions

During the financial period, significant related party transactions for the current quarter under review are as follows:-

	Current quarter as at 30 Sept 2013 RM'000	**Year to date as at 30 Sept 2013 RM'000**
Zitron Enterprise (M) Sdn Bhd:		
Rental of premises	72	288
Service maintenance fee & repair of phone	73	203
Hello Services Centre (M) Sdn Bhd:		
Rental of premises and part purchase	37	110
Midland Network Sdn Bhd:		
Service maintenance fee & repair of phone	250	250
Z'tronic Holidays (M) Sdn Bhd:		
Purchase of airline tickets, tour arrangement and accommodation booking	8	442

15. Review of performance

For the quarter under review, the Group recorded a revenue of RM9.16 million, 41.6% higher than revenue of RM6.47 million in the corresponding quarter of the preceding year. The Group's year to date revenue has also increased 24.7% from RM24.36 million to RM30.37 million. The increase in revenue was mainly contributed by the two new subsidiaries acquired as disclosed in Note 4.

The Group recorded a profit before tax ("PBT") of RM1.44 million as compared to loss before tax ("LBT") of RM0.73 million in the corresponding quarter of the preceding year. PBT of cumulative year to date has increased from RM0.02 million to RM2.46 million. The increase in PBT was mainly contributed by the two new subsidiaries acquired as disclosed in Note 4 and improved in performance of automotive battery division.

With the completion of the Proposed Acquisition of MTSB and SEMS on 28 February 2013 (reference to Note 4 and 20), the service of mobile telecommunication products division has contributed a PBT of RM1.32 million, during the financial year under review.

16. Comparison with immediate preceding quarter's results

The Group recorded a revenue of RM9.16 million, an increase of 6.1% from the preceding quarter of RM8.63 million. The increase in revenue was mainly contributed by both automotive battery and servicing of mobile telecommunication products division.

The Group recorded a PBT of RM1.44 million as compared to PBT of RM0.43million in the preceding quarter, an increase of 234.9%. The increase was mainly contributed by improved in performance of automotive battery division and the two new subsidiaries acquired stated above.

17. Business prospect

The board anticipates that the business prospects will remain challenging for the distribution of automotive batteries for the financial year ending 2014; given the highly competitive market for automotive battery, fluctuation of LME lead price and foreign exchange rates. With the completion of the Proposed Acquisition stated in Note 4 and 20, the servicing and repair of telecommunication products; is expected to contribute positively to Watta Group's earnings in financial year 2014.

18. Variance from profit forecast

There was no profit forecast or profit guarantee issued.

19. Taxation

	Current quarter as at 30 Sept 2013 RM'000	Cumulative current year to date as at 30 Sept 2013 RM'000
Current tax expense	280	437
Deferred taxation	25	141
Total income tax expense	305	578

The Group's taxation charge for the current quarter under review mainly represents taxation for interest income and rental income, which were treated as separate source of income. It was provision for taxation on servicing and repair of telecommunication products division amounted to RM235 thousand during the current quarter as no group relief available.

20. Corporate proposal

Save for the completion of the acquisition of 100% equity interest in MTSB and SEMS on 28 February 2013 as disclosed in Note 4, there is no other corporate proposal.

21. Group borrowings

There was secured bank borrowing amounted RM3.1 million as disclosed in the Condensed Consolidated Statement of Financial Position above.

22. Material litigation

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

23. Dividend payable

Save for the disclosure Note 7 above, the directors do not recommend any dividend payment in respect of the current financial year.

24. Disclosure of realised/unrealised retained profits

	As at 30 Sept 2013 RM'000	As at 30 Sept 2012 RM'000
Retained profits		
Realised	41,045	34,621
Unrealised	(5,412)	(5,300)
	35,633	29,321
Less: Consolidation adjustments	(20,767)	(13,785)
Total retained profits	**14,866**	**15,536**

25. Earnings per ordinary share

	Current quarter	Cumulative financial Year to date
Net profit attributable to equity holders of the parent (RM'000)	768	1,492
Number of shares in issue of RM0.50 each	84,480,000	84,480,000
Basic earnings per share (sen)	**0.91**	**1.77**

26. Authorisation for issue

This quarterly report was authorised for issue by the Board of Directors in accordance with the resolution of the directors on 28 November 2013.

By order of the Board

Haji Ariffin Bin Abdul Aziz
Group Executive Director
28 November 2013