



**WATTA HOLDING BERHAD (199401038699 (324384-A))**  
**Financial Period for Quarter (October 2020 – December 2020)**  
**Financial Year 2020 (January 2020 – December 2020)**

Announcement Date: 26 FEB 2021

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 31 December 2020.

**A. PRESENTATION OF RESULTS****I) CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

for the financial period/ year ended	Individual Quarter (3 mths)		Year to Date (12 mths)	
	Current Year	Previous Year	Current Year	Previous Year
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	3,102	3,338	12,196	13,369
Interest income	82	184	446	605
Other operating income	324	38	802	68
Gain on revaluation of investment properties	90	5,238	90	5,238
Depreciation	(143)	(13)	(569)	(537)
Gain on disposal of property, plant and equipment	0	0	0	18
Loss on unrealised/realised forex	(7)	(8)	(19)	(14)
Cost of sales and Administration expenses	(3,539)	(4,027)	(14,023)	(15,202)
<b>Profit/(Loss) from operation</b>	<b>(91)</b>	<b>4,750</b>	<b>(1,077)</b>	<b>3,545</b>
Finance cost	(6)	(11)	(28)	(10)
<b>Profit/(Loss) before taxation</b>	<b>(97)</b>	<b>4,739</b>	<b>(1,105)</b>	<b>3,535</b>
Taxation	(160)	(1,687)	(332)	(1,606)
<b>Profit/(Loss) net of taxation</b>	<b>(257)</b>	<b>3,052</b>	<b>(1,437)</b>	<b>1,929</b>
<b>Profit/(Loss) attributable to:</b>				
Equity holders of the parent	(257)	3,052	(1,437)	1,929
Non-controlling interests	0	0	0	0
	<b>(257)</b>	<b>3,052</b>	<b>(1,437)</b>	<b>1,929</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Equity holders of the parent	(257)	3,052	(1,437)	1,929
Non-controlling interests	0	0	0	0
	<b>(257)</b>	<b>3,052</b>	<b>(1,437)</b>	<b>1,929</b>
<b>Earnings/(Loss) per share attributable to equity holders of the parent (sen):</b>				
Basic	(0.30)	3.61	(1.70)	2.28
Diluted	N/A	N/A	N/A	N/A

The unaudited condensed statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes that form an integral part of the Interim Financial Statements.

## A. PRESENTATION OF RESULTS (cont'd)

## II) CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at	(UNAUDITED) 31.12.2020 (RM'000)	(AUDITED) 31.12.2019 (RM'000)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	51	72
Right of use assets	2,065	1,980
Investment properties	45,645	45,555
Other investments	0	532
<b>Total non-current assets</b>	<b>47,761</b>	<b>48,139</b>
<b>Current Assets</b>		
Inventories	510	698
Trade receivables	567	727
Other receivables, deposits & prepayment	681	732
Fixed deposits with licensed banks	16,270	16,882
Cash and bank balances	2,413	2,951
<b>Total current assets</b>	<b>20,441</b>	<b>21,990</b>
<b>TOTAL ASSETS</b>	<b>68,202</b>	<b>70,129</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	42,240	42,240
Reserves	14,174	15,611
<b>Total equity</b>	<b>56,414</b>	<b>57,851</b>
<b>Non-current liabilities</b>		
Deferred taxation	9,384	9,289
Lease liabilities	330	381
<b>Total non-current liabilities</b>	<b>9,714</b>	<b>9,670</b>
<b>Current Liabilities</b>		
Trade payables	696	697
Other payables and accruals	910	1,517
Lease liabilities	445	259
Tax payable	23	135
<b>Total current liabilities</b>	<b>2,074</b>	<b>2,608</b>
<b>Total liabilities</b>	<b>11,788</b>	<b>12,278</b>
<b>Total equity and liabilities</b>	<b>68,202</b>	<b>70,129</b>
<b>Net assets</b>	<b>56,414</b>	<b>57,851</b>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	<b>0.67</b>	<b>0.68</b>

The unaudited condensed statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes that form an integral part of the Interim Financial Statements.

**A. PRESENTATION OF RESULTS (cont'd)**  
**III) CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

<b>for the financial year ended</b>	<b>Current Year</b>	<b>Previous Year</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
	<b>(Unaudited)</b>	<b>(audited)</b>
<b>Profit / (Loss) before taxation</b>	(1,105)	3,535
Adjustments for:		
Interest expenses	28	10
Interest income	(446)	(605)
Gain on disposal of property, plant and equipment	0	(18)
Gain on revaluation of investment property	(90)	(5,238)
Fair value gain on other investment	0	(19)
Waiver of debts from payable	0	(26)
Depreciation of property, plant and equipment	569	537
Property, plant and equipment written off	0	1
Inventories written down	0	35
Unrealised (gain)/loss on foreign exchange	8	(2)
Operating profit/(loss) before working capital changes	(1,036)	(1,790)
Changes in working capital		
Inventories	188	(17)
Receivables	493	32
Payables	(428)	(176)
Cash generated from/(used in) operations	(783)	(1,951)
Interest received	446	605
Interest paid	(28)	(10)
Income tax paid	(416)	(267)
Income tax refunded	134	626
<b>Net cash generated from/(used in) operating activities</b>	<b>(647)</b>	<b>(997)</b>
<b>Investing activities</b>		
Proceed from disposal of property, plant and equipment	0	18
Disposal of investment	532	0
Purchase of property, plant and equipment	(7)	(13)
Addition to right of use assets	(625)	(56)
<b>Net cash from/ (used in) investing activities</b>	<b>(100)</b>	<b>(51)</b>
<b>Financing activities</b>		
Repayment of lease liabilities	(448)	(395)
Increase in fixed deposits pledged with licensed bank	0	(20)
(Placement)/ Withdrawal of deposits not for short term funding	(55)	272
<b>Net cash generated from/(used in) financing activities</b>	<b>(503)</b>	<b>(143)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(1,250)</b>	<b>(1,191)</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>11,160</b>	<b>12,351</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>9,910</b>	<b>11,160</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	2,413	2,950
Fixed deposit with licensed banks	16,270	16,882
	18,683	19,832
Less: Deposit not for short term funding requirement	(8,753)	(8,652)
Fixed deposits pledged with licensed banks	(20)	(20)
	<b>9,910</b>	<b>11,160</b>

The unaudited condensed statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes that form an integral part of the Interim Financial Statements.

## A. PRESENTATION OF RESULTS (cont'd)

## IV) CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<u>Attributable to Owners of the Company</u>				
	Share Capital	<u>Distributable</u> Retained Profits	Total	Non- Controlling Interest	Total Equity
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<b>12 months ended 31 Dec 2019</b>					
Balance as at 1 January 2019	42,240	13,682	55,922	0	55,922
Net profit for the financial year, representing total comprehensive income	-	1,929	1,929	0	1,929
<b>Balance as at 31 Dec 2019 (audited)</b>	<b>42,240</b>	<b>15,611</b>	<b>57,851</b>	<b>0</b>	<b>57,851</b>
<b>12 months ended 31 Dec 2020</b>					
Balance as at 1 January 2020	42,240	15,611	57,851	0	57,851
Net loss for the financial year, representing total comprehensive loss	-	(1,437)	(1,437)	0	(1,437)
<b>Balance as at 31 Dec 2020 (unaudited)</b>	<b>42,240</b>	<b>14,174</b>	<b>56,414</b>	<b>0</b>	<b>56,414</b>

The unaudited condensed statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2019 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 31 December 2019.

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 Holdings Berhad (“WATTA”) and its subsidiary companies (hereinafter referred to as the “Group”) during the financial quarter under review.

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2019 except for the changes in accounting policies and presentation resulting from the adoption of relevant MFRSs, Amendments to MFRSs and IC Interpretations that are effective for the financial year beginning on or after 1 January 2020.

The adoption of new MFRS has had no significant financial effect on this interim report.

**2. Qualification of annual financial statements**

There were no audit qualifications on the financial statements of the Company and its subsidiary companies for the financial year ended 31 December 2019.

**3. Seasonal and cyclical factors**

The business operations for the Group were not materially affected by any seasonal or cyclical factors during the financial quarter under review.

**4. Unusual and material items affecting assets, liabilities, equity, net income or cash flow**

There were no unusual and material items affecting assets, liabilities, equity, net income or cash flow during the financial quarter under review.

**5. Material changes in estimates**

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

**6. Debts and equity securities**

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

**7. Dividend paid**

No interim dividend has been paid or declared during the current quarter and the financial period under review.

**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.

	Cumulative year ended 31 Dec 2020				Consolidated RM'000
	Trading/ Property Investment RM'000	Services RM'000	Investment Holding RM'000	Elimination RM'000	
External sales	1,134	11,062	-	-	12,196
Inter-segment sales	-	-	72	(72)	-
Total revenue	1,134	11,062	72	(72)	12,196

Results					
Segment results	(166)	(395)	(962)	0	(1,523)
Profit/ (Loss) from operations					(1,523)
Interest income					446
Interest expenses					(28)
Profit/(Loss) before tax					(1,105)
Income tax (expenses)/credit					(332)
<b>Profit/(Loss) for the financial year</b>					<b>(1,437)</b>

	Cumulative year ended 31 Dec 2019				Consolidated RM'000
	Trading/ Property Investment RM'000	Services RM'000	Investment Holding RM'000	Elimination RM'000	
External sales	1,065	12,304	-	-	13,369
Inter-segment sales	-	-	74	(74)	-
Total revenue	1,065	12,304	74	(74)	13,369
Results					
Segment results	4,189	(472)	(777)	0	2,940
Profit/ (Loss) from operations					2,940
Interest income					605
Interest expenses					(10)
Profit/(Loss) before tax					3,535
Income tax (expenses)/credit					(1,606)
<b>Profit/(Loss) for the financial year</b>					<b>1,929</b>

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

The Group had performed valuation on its property, plant and equipment and investment properties during the financial year. The Group has adopted fair value method for its investment properties and maintained cost method for its property, plant and equipment.

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

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

#### 11. Changes in the composition of the Group

There were no changes in the composition of the Group for the financial quarter under review.

#### 12. Contingent liabilities

Unsecured corporate guarantee was given to a licensed bank for facility granted to a subsidiary company amounted to RM0.70 million.

#### 13. Capital commitments

There were no capital commitments contracted by the Group to any parties as at 31 December 2020.

**14. Related party transactions**

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

	<b>Current quarter as at 31 Dec 2020 RM'000</b>	<b>Cumulative year to date as at 31 Dec 2020 RM'000</b>
Zitron Enterprise (M) Sdn Bhd: Rental and maintenance charge of premises	106	424

**15. Review of performance**

For the quarter under review, the Group recorded revenue of RM3.10 million, 7.2% lower than revenue of RM3.34 million in the corresponding quarter of the preceding year. The decrease in revenue was due to the decrease in sales from the servicing and repairs of mobile telecommunication equipment products division. The said division experienced a lower revenue, having affected by the reinforcement of Conditional Movement Control Order ("CMCO") in the current fourth quarter.

The Group recorded a loss before tax ("LBT") of RM0.26 million as compared to PBT of RM3.05 million in the corresponding quarter of the preceding year. The PBT was resulted from revaluation surplus on investment properties of RM5.24 million as compared to current quarter revaluation surplus of RM0.09 million.

**16. Comparison with immediate preceding quarter's results**

The Group recorded revenue of RM3.10 million, a decrease of 13.2% from the preceding quarter of RM3.57 million. The decrease in revenue was due to the decrease in sales from the servicing and repairs of mobile telecommunication equipment products division as stated in Note 15.

The Group recorded a LBT of RM0.26 million as compared to LBT of RM0.48 million in the preceding quarter. The Board will continue to review and look into ways of cost control measures.

**17. Prospects**

The global health crisis involving Covid-19 have impacted to the performance of the Group in financial year 2020, due to the various Movement Control Order ("MCO") implemented.

In January and February 2021, MCO is being enforced again due to the rise of the Covid-19 cases. The financial impact of the Covid-19 pandemic and the enforcement of various MCOs, will continue to affect the performance of business activities although it is hoped that with the roll out of the National Immunisation Program; business activities will pick up for a sustained recovery.

In view of that, the Board foresees the business performance of the Group will continue to be affected in the following quarters of financial year 2021. The Board will continue to cautiously explore new businesses/assets and/ or diversification into other activities to improve the financial performance of the Group despite the weak and uncertain economic environment domestically and globally. Meantime, the Group will actively manage costs and seek to maintain its current level of activities.

**18. Variance from profit forecast**

There were no profit forecasts or profit guarantee issued.

**19. Taxation**

	<b>Current quarter as at 31 Dec 2020 RM'000</b>	<b>Cumulative current year to date as at 31 Dec 2020 RM'000</b>
Current tax credit/ (expense)	(66)	(238)
Deferred taxation	(94)	(94)
Total income tax credit /(expense)	(160)	(332)

The Group's taxation charge for the current quarter under review mainly represents taxation for rental and fixed deposits interest income from property investment division as no group relief available.

**20. Corporate proposal**

There were no new corporate proposals announced or pending as at the date of report.

**21. Group borrowings**

There were no bank borrowings secured by the Group to any parties as at 31 December 2020.

**22. Material litigation**

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

**23. Dividend**

The directors do not recommend any dividend payment in respect of the current financial period.

**24. Profit / (Loss) per ordinary share**

	Current quarter	Cumulative financial year to date
Net loss attributable to equity holders of the parent (RM'000)	257	1,437
Number of shares in issue	84,480,000	84,480,000
<b>Basic loss per share (sen)</b>	<b>0.30</b>	<b>1.70</b>

**25. Notes to the consolidated statement of profit or loss and other comprehensive income**

	Current quarter	Cumulative financial year to date
	RM'000	RM'000
Interest income from fixed deposits	82	446
Depreciation and amortization	(143)	(569)
Gain on revaluation of investment properties	90	90

**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 26 February 2021.

By order of the Board

Haji Ariffin Bin Abdul Aziz  
Group Executive Director  
26 February 2021