



**WATTA HOLDING BERHAD (199401038699)(324384-A)** Announcement Date: 27 MAY 2021  
**Financial Period for Quarter (January 2021 – March 2021)**  
**Financial Year 2021 (January 2021 – December 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 first quarter ended 31 March 2021.

**A. PRESENTATION OF RESULTS**

**I) CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

for the financial period ended	Individual Quarter (3 mths)		Year to Date (3 mths)	
	Current Year	Previous Year	Current Year	Previous Year
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	3,114	3,008	3,114	3,008
Interest income	77	140	77	140
Other operating income	2	472	2	472
Gain on revaluation of investment properties	0	0	0	0
Depreciation and amortisation	(149)	(105)	(149)	(105)
Gain on disposal of property, plant and equipment	0	0	0	0
Gain on unrealised/realised forex	10	0	10	0
Cost of sales and Administration expenses	(3,467)	(3,459)	(3,467)	(3,459)
<b>Profit/(Loss) from operation</b>	<b>(413)</b>	<b>56</b>	<b>(413)</b>	<b>56</b>
Finance cost	(7)	(3)	(7)	(3)
<b>Profit/(Loss) before taxation</b>	<b>(420)</b>	<b>53</b>	<b>(420)</b>	<b>53</b>
Taxation	(60)	(49)	(60)	(49)
<b>Profit/(Loss) net of taxation</b>	<b>(480)</b>	<b>4</b>	<b>(480)</b>	<b>4</b>
<b>Profit/(Loss) attributable to:</b>				
Equity holders of the parent	(480)	4	(480)	4
Non-controlling interests	0	0	0	0
	<b>(480)</b>	<b>4</b>	<b>(480)</b>	<b>4</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Equity holders of the parent	(480)	4	(480)	4
Non-controlling interests	0	0	0	0
	<b>(480)</b>	<b>4</b>	<b>(480)</b>	<b>4</b>
<b>Earnings/(Loss) per share attributable to equity holders of the parent (sen):</b>				
Basic	(0.57)	0.00	(0.57)	0.00
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 2020 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 31.03.2021 (RM'000)	(AUDITED) 31.12.2020 (RM'000)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	44	51
Right of use assets	1,922	2,065
Investment properties	45,645	45,645
Other investments	0	0
	<b>47,611</b>	<b>47,761</b>
<b>Current Assets</b>		
Inventories	657	510
Trade receivables	687	567
Other receivables, deposits & prepayment	427	473
Tax recoverable	243	231
Fixed deposits with licensed banks	15,464	16,270
Cash and bank balances	2,558	2,413
	<b>20,036</b>	<b>20,464</b>
<b>TOTAL ASSETS</b>	<b>67,647</b>	<b>68,225</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	42,240	42,240
Reserves	13,694	14,174
<b>Total equity</b>	<b>55,934</b>	<b>56,414</b>
<b>Non-current liabilities</b>		
Deferred taxation	9,383	9,383
Lease liabilities	243	331
<b>Current Liabilities</b>		
Trade payables	771	696
Other payables and accruals	897	933
Lease liabilities	398	445
Tax payable	21	23
	<b>2,087</b>	<b>2,097</b>
<b>Total equity and liabilities</b>	<b>67,647</b>	<b>68,225</b>
<b>Net assets</b>	<b>55,934</b>	<b>56,414</b>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	<b>0.66</b>	<b>0.67</b>

The unaudited condensed statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 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 period ended</b>	<b>Current Year</b>	<b>Previous Year</b>
	<b>31.03.2021</b>	<b>31.03.2020</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Profit / (Loss) before taxation</b>	(420)	53
Adjustments for:		
Interest expenses	7	3
Interest income	(77)	(140)
Gain on disposal of property, plant and equipment	0	0
(Gain)/ Loss on revaluation of investment properties	0	0
Depreciation and amortisation of property, plant and equipment and right-of-use assets	149	105
Inventories written down	0	0
Unrealised loss/(gain) on foreign exchange	0	0
Operating (loss)/profit before working capital changes	(341)	21
Changes in working capital		
Inventories	(147)	8
Receivables	(73)	170
Payables	41	(538)
Cash generated from/(used in) operations	(520)	(339)
Interest received	77	140
Interest paid	(7)	(3)
Income tax paid	(75)	(40)
Income tax refunded	0	0
<b>Net cash generated from/(used in) operating activities</b>	<b>(525)</b>	<b>(242)</b>
<b>Investing activities</b>		
Proceed from disposal of property, plant and equipment	0	0
Purchase of property, plant and equipment	0	0
<b>Net cash from/ (used in) investing activities</b>	<b>0</b>	<b>0</b>
<b>Financing activities</b>		
Repayment of finance lease payable	(135)	(151)
(Placement)/ withdrawal of deposits not for short term funding	(41)	(73)
<b>Net cash (used in)/generated from financing activities</b>	<b>(176)</b>	<b>(224)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(701)</b>	<b>(466)</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>10,609</b>	<b>11,160</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>9,908</b>	<b>10,694</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	2,558	2,440
Fixed deposit with licensed banks	15,464	16,999
	18,022	19,439
Less: Deposit not for short term funding requirement	(8,094)	(8,725)
Fixed deposits pledged with a licensed bank	(20)	(20)
	<b>9,908</b>	<b>10,694</b>

The unaudited condensed statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2020 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>3 months ended 31 March 2020</b>					
Balance as at 1 January 2020	42,240	15,612	57,852	0	57,852
Net profit for the financial period, representing total comprehensive income	-	4	4	0	4
<b>Balance as at 31 March 2020 (unaudited)</b>	<b>42,240</b>	<b>15,616</b>	<b>57,856</b>	<b>0</b>	<b>57,856</b>
<b>3 months ended 31 March 2021</b>					
Balance as at 1 January 2021	42,240	14,174	56,414	0	56,414
Net loss for the financial period, representing total comprehensive loss	-	(480)	(480)	0	(480)
<b>Balance as at 31 March 2021 (unaudited)</b>	<b>42,240</b>	<b>13,694</b>	<b>55,934</b>	<b>0</b>	<b>55,934</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 2020 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 2020.

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 2020 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 2021.

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 2020.

**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 March 2021				Consolidated RM'000
	Trading/ Property Investment RM'000	Services RM'000	Investment Holding RM'000	Elimination RM'000	
External sales	290	2,824	-	-	3,114
Inter-segment sales	-	-	18	(18)	-
Total revenue	290	2,824	18	(18)	3,114

Results					
Segment results	(184)	(119)	(187)	0	(490)
Loss from operations					(490)
Interest income					77
Interest expenses					(7)
Loss before tax					(420)
Income tax (expenses)/credit					(60)
<b>Loss for the financial period</b>					<b>(480)</b>

	Cumulative year ended 31 March 2020				
	Trading/ Property Investment RM'000	Services RM'000	Investment Holding RM'000	Elimination RM'000	Consolidated RM'000
External sales	290	2,718	-	-	3,008
Inter-segment sales	-	-	18	(18)	-
Total revenue	290	2,718	18	(18)	3,008
Results					
Segment results	292	(171)	(205)	0	(84)
Loss from operations					(84)
Interest income					140
Interest expenses					(3)
Profit before tax					53
Income tax (expenses)/ credit					(49)
<b>Profit for the financial period</b>					<b>4</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 last 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 March 2021.

**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 March 2021 RM'000</b>	<b>Cumulative year to date as at 31 March 2021 RM'000</b>
Zitron Enterprise (M) Sdn Bhd: Rental and maintenance charge of premises	106	106

**15. Review of performance**

For the quarter under review, the Group recorded revenue of RM3.11 million, 3.3% higher than revenue of RM3.01 million in the corresponding quarter of the preceding year. The increase in revenue was in line with marginal increase in sales from the servicing and repairs of mobile telecommunication equipment products division. The enforcement of Movement Control Order (“MCO”) in January and February 2021 have affected the budgeted performance of the Group in the current quarter.

The Group recorded a loss before tax (“LBT”) of RM0.42 million as compared to profit before tax (“PBT”) of RM0.05 million in the corresponding quarter of the preceding year. The PBT in the corresponding quarter was resulted from reversal of accrued import duty in a subsidiary company amounted to RM0.47 million where the subsidiary company had obtained approval for part waiver of the import duty from Ministry of Finance during the corresponding quarter of the preceding year under review.

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

The Group recorded revenue of RM3.11 million, which is consistent with the preceding quarter of RM3.10 million. The revenue was mainly contributed by the servicing and repairs of mobile telecommunication equipment products division.

For the current quarter under review, the Group recorded a LBT of RM0.42 million as compared to LBT of RM0.10 million in the preceding quarter. In the immediate preceding quarter, the Group recognized a revaluation surplus on investment properties amounted to RM0.09 million and the servicing and repairs of mobile telecommunication equipment products division also contributed RM0.07 million, therefore a lower LBT.

The Board will continue to review and look into ways of cost control measures.

**17. Prospects**

The global health crisis involving COVID-19 will impact to the performance of the Group in financial year 2021, with the re-imposition of Movement Control Orders (“MCOs”).

In January, February and May 2021, MCOs have been re-imposed due to the rise of the Covid-19 cases. The financial impact of the Covid-19 pandemic and the re-imposition of MCOs in the country will continue affecting the performance of the Group. With the acceleration of the National Immunisation Program; it is hoped that the economic 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 March 2021 RM'000</b>	<b>Cumulative current year to date as at 31 March 2021 RM'000</b>
Current tax credit/ (expense)	(60)	(60)
Deferred taxation	0	0
Total income tax credit/(expense)	(60)	(60)

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 March 2021.

**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)	480	480
Number of shares in issue	84,480,000	84,480,000
<b>Basic loss per share (sen)</b>	<b>0.57</b>	<b>0.57</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	77	77
Depreciation and amortisation	(149)	(149)

**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 27 May 2021.

By order of the Board

Haji Ariffin Bin Abdul Aziz  
Group Executive Director  
27 May 2021