



**WATTA HOLDING BERHAD (199401038699)(324384-A)**  
**Financial Period for Quarter (April 2022 – June 2022)**  
**Financial Year 2022 (January 2022 – December 2022)**

Announcement Date: 16 AUG 2022

The Board of Directors of Watta Holding Berhad (hereinafter referred to as “WATTA” or “the Company”) hereby announce the following unaudited results for the second quarter ended 30 June 2022.

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

	Individual Quarter (3 mths)		Year to Date (6 mths)	
	Current Year	Previous Year	Current Year	Previous Year
for the financial period ended	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	3,290	2,521	6,208	5,634
Interest income	67	51	131	123
Other operating income	0	0	4	17
Gain on revaluation of investment properties	0	0	0	0
Depreciation and amortisation	(179)	(149)	(280)	(298)
Gain on disposal of property, plant and equipment	0	0	4	0
Gain /(Loss) on unrealised/realised forex	49	0	62	0
Cost of sales and administration expenses	(3,478)	(2,940)	(6,644)	(6,406)
<b>Profit/(Loss) from operation</b>	<b>(251)</b>	<b>(517)</b>	<b>(515)</b>	<b>(930)</b>
Finance cost	(6)	(6)	(10)	(13)
<b>Profit/(Loss) before taxation</b>	<b>(257)</b>	<b>(523)</b>	<b>(525)</b>	<b>(943)</b>
Taxation	(59)	(60)	(113)	(120)
<b>Profit/(Loss) net of taxation</b>	<b>(316)</b>	<b>(583)</b>	<b>(638)</b>	<b>(1,063)</b>
<b>Profit/(Loss) attributable to:</b>				
Equity holders of the parent	(316)	(583)	(638)	(1,063)
Non-controlling interests	0	0	0	0
	<b>(316)</b>	<b>(583)</b>	<b>(638)</b>	<b>(1,063)</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Equity holders of the parent	(316)	(583)	(638)	(1,063)
Non-controlling interests	0	0	0	0
	<b>(316)</b>	<b>(583)</b>	<b>(638)</b>	<b>(1,063)</b>
<b>Earnings/(Loss) per share attributable to equity holders of the parent (sen):</b>				
Basic	(0.37)	(0.69)	(0.76)	(1.26)
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 2021 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**

<b>as at</b>	<b>UNAUDITED 30.06.2022 (RM'000)</b>	<b>(AUDITED) 31.12.2021 (RM'000)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	34	38
Right of use assets	2,057	1,691
Investment properties	46,115	46,115
<b>Total non-current assets</b>	<b>48,206</b>	<b>47,844</b>
<b>Current Assets</b>		
Inventories	525	570
Trade receivables	406	792
Other receivables, deposits & prepayment	346	508
Tax recoverable	246	234
Fixed deposits with licensed banks	13,906	13,775
Cash and bank balances	2,806	2,976
<b>Total current assets</b>	<b>18,235</b>	<b>18,855</b>
<b>TOTAL ASSETS</b>	<b>66,441</b>	<b>66,699</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	42,240	42,240
Reserves	12,373	13,011
<b>Total equity</b>	<b>54,613</b>	<b>55,251</b>
<b>Non-current liabilities</b>		
Deferred taxation	9,543	9,543
Lease liabilities	352	179
<b>Total non-current liabilities</b>	<b>9,895</b>	<b>9,722</b>
<b>Current Liabilities</b>		
Trade payables	633	537
Other payables and accruals	787	897
Lease liabilities	468	259
Tax payable	45	33
<b>Total current liabilities</b>	<b>1,933</b>	<b>1,726</b>
<b>Total liabilities</b>	<b>11,828</b>	<b>11,448</b>
<b>Total equity and liabilities</b>	<b>66,441</b>	<b>66,699</b>
<b>Net assets</b>	<b>54,613</b>	<b>55,251</b>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	<b>0.65</b>	<b>0.65</b>

The unaudited condensed statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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>30.06.2022</b>	<b>30.06.2021</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Profit / (Loss) before taxation</b>	(525)	(943)
Adjustments for:		
Interest expenses	10	13
Interest income	(131)	(123)
Gain on disposal of property, plant and equipment	(4)	0
Gain on revaluation of investment property	0	0
Waiver of debts from payable	0	0
Depreciation and amortisation	280	298
Inventories written down	0	0
Unrealised (gain)/loss on foreign exchange	0	0
Operating profit/(loss) before working capital changes	(370)	(755)
Changes in working capital		
Inventories	45	(73)
Receivables	550	125
Payables	(14)	(650)
Cash generated from/(used in) operations	211	(1,353)
Interest received	131	123
Interest paid	(10)	(13)
Income tax paid	(115)	(138)
Income tax refunded	0	0
<b>Net cash generated from/(used in) operating activities</b>	<b>217</b>	<b>(1,381)</b>
<b>Investing activities</b>		
Proceed from disposal of property, plant and equipment	20	0
Purchase of property, plant and equipment	(12)	(3)
<b>Net cash from/ (used in) investing activities</b>	<b>8</b>	<b>(3)</b>
<b>Financing activities</b>		
Repayment of lease liabilities	(264)	(253)
Withdrawal/ (Placement) of deposits not for short term funding	(85)	0
Increased in fixed deposit pledged with licensed bank	(1)	0
<b>Net cash generated from/(used in) financing activities</b>	<b>(350)</b>	<b>(253)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(125)</b>	<b>(1,637)</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>8,511</b>	<b>10,609</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>8,386</b>	<b>8,972</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	2,806	857
Fixed deposit with licensed banks	13,906	16,249
	16,712	17,106
Less: Deposit not for short term funding requirement	(8,304)	(8,114)
Fixed deposits pledged with licensed bank	(22)	(20)
	<b>8,386</b>	<b>8,972</b>

The unaudited condensed statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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**

	<b><u>Attributable to Owners of the Company</u></b>				
	<b>Share Capital</b>	<b><u>Distributable Retained Profits</u></b>	<b>Total</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>
<b>6 months ended 30 June 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	-	(1,063)	(1,063)	0	(1,063)
<b>Balance as at 30 June 2021 (unaudited)</b>	<b>42,240</b>	<b>13,111</b>	<b>55,351</b>	<b>0</b>	<b>55,351</b>
<b>6 months ended 30 June 2022</b>					
Balance as at 1 January 2022	42,240	13,011	55,251	0	55,251
Net loss for the financial period, representing total comprehensive income	-	(638)	(638)	0	(638)
<b>Balance as at 30 June 2022 (unaudited)</b>	<b>42,240</b>	<b>12,373</b>	<b>54,613</b>	<b>0</b>	<b>54,613</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 2021 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 2021.

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 2021 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 2022.

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 2021.

**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 30 June 2022				Consolidated RM'000
	Trading/ Property Investment RM'000	Services RM'000	Investment Holding RM'000	Elimination RM'000	
External sales	603	5,605	-	-	6,208
Inter-segment sales	-	-	36	(36)	-
Total revenue	603	5,605	36	(36)	6,208
Results					
Segment results	(387)	102	(361)	0	(646)

**B. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT (cont'd)**  
**(the figures have not been audited)****8. Segmental reporting (cont'd)**

Profit/ (Loss) from operations	(646)
Interest income	131
Interest expenses	(10)
Profit/(Loss) before tax	(525)
Income tax (expenses)/credit	(113)
<b>Profit/(Loss) for the financial period</b>	<b>(638)</b>

	Cumulative year ended 30 June 2021				Consolidated RM'000
	Trading/ Property Investment RM'000	Services RM'000	Investment Holding RM'000	Elimination RM'000	
External sales	579	5,055	-	-	5,634
Inter-segment sales	-	-	36	(36)	-
Total revenue	579	5,055	36	(36)	5,634
Results					
Segment results	(334)	(325)	(394)	0	(1,053)
Profit/ (Loss) from operations					(1,053)
Interest income					123
Interest expenses					(13)
Profit/(Loss) before tax					(943)
Income tax (expenses)/credit					(120)
<b>Profit/(Loss) for the financial period</b>					<b>(1,063)</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 RM0.54 million.

**13. Capital commitments**

There were no capital commitments contracted by the Group to any parties as at 30 June 2022.

**B. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT (cont'd)**  
**(the figures have not been audited)****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 30 June 2022 RM'000</b>	<b>Cumulative year to date as at 30 June 2022 RM'000</b>
Zitron Enterprise (M) Sdn Bhd: Rental and maintenance charge of premises	106	212

**15. Review of performance**

For the quarter under review, the Group recorded revenue of RM3.29 million, as compared to RM2.52 million in the corresponding quarter of the preceding year. The increase in revenue was due to the increase in sales from the servicing and repairs of mobile telecommunication equipment products division. The said division achieved higher revenue, being higher business activities during the current quarter under review.

The Group recorded a loss before tax ("LBT") of RM0.25 million as compared to LBT of RM0.53 million in the corresponding quarter of the preceding year. The decrease in LBT in the current quarter was due to increase in revenue as compared to the corresponding quarter of the preceding year, thus higher revenue has led to higher contribution of profit.

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

The Group recorded revenue of RM3.29 million, an increase of 12.7% from the preceding quarter of RM2.92 million. The increase in revenue was due to the increase in sales from the servicing and repairs of mobile telecommunication equipment products division as stated in Note 15.

The Group recorded a LBT of RM0.25 million as compared to LBT of RM0.27 million in the preceding quarter. The LBT was consistent as no significant expenses incurred during both quarters.

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

**17. Prospects**

The global health crisis involving COVID-19 has moved into endemic stage concurrent with National Recovery Plans ("NRP") embarked by the government.

With the opening up of domestic economy, the business activities are anticipated to pick up, including the servicing and repair of tele-communication products segment.

The financial impact of the COVID -19 endemic is expected to continue affecting the performance of the Group for the FYE 2022. The Group expects its performance to improve in second half of FYE 2022 with anticipation of the recovery of the economy under NRP, the general population being fully vaccinated / receiving booster shots leading to COVID-19 cases brought under control/ contained.

With the anticipated economic recovery, the Board is looking forward for more opportunities to explore new businesses/assets to acquire and/or to diversify into; to improve the financial performance of the Group. The Group will actively manage costs and seek to maintain its current level of activities in an environment of escalating inflation.

**18. Variance from profit forecast**

There were no profit forecasts or profit guarantee issued.

**B. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT (cont'd)**  
(the figures have not been audited)**19. Taxation**

	Current quarter as at 30 June 2022 RM'000	Cumulative current year to date as at 30 June 2022 RM'000
Current tax credit/ (expense)	(59)	(113)
Deferred taxation	0	0
Total income tax credit /(expense)	(59)	(113)

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 30 June 2022.

**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)	316	638
Number of shares in issue	84,480,000	84,480,000
<b>Basic loss per share (sen)</b>	<b>0.37</b>	<b>0.76</b>

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

	Current quarter RM'000	Cumulative financial year to date RM'000
Interest income from fixed deposits	67	131
Depreciation of property, plant and equipment	(13)	(16)
Amortisation of right-of-use-assets	(166)	(264)
Gain on disposal of property, plant and equipment	0	4

**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 16 August 2022.

By order of the Board

Haji Ariffin Bin Abdul Aziz  
Group Executive Director  
16 August 2022