



WATTA HOLDING BERHAD (199401038699)(324384-A)
Financial Period for Quarter (July 2022 –Sept 2022)
Financial Year 2022 (January 2022 – December 2022)

Announcement Date: 17 Nov 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 third quarter ended 30 September 2022.

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

	Individual Quarter (3 mths)		Year to Date (9 mths)	
	Current Year	Previous Year	Current Year	Previous Year
for the financial period ended	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	2,553	2,971	8,761	8,605
Interest income	73	76	204	199
Other operating income	4	5	8	22
Gain on revaluation of investment properties	0	0	0	0
Depreciation and amortisation	(140)	(147)	(420)	(445)
Gain on disposal of property, plant and equipment	0	0	4	0
Gain /(Loss) on unrealised/realised forex	56	0	118	0
Cost of sales and administration expenses	(2,794)	(3,294)	(9,438)	(9,700)
Profit/(Loss) from operation	(248)	(389)	(763)	(1,319)
Finance cost	(6)	(4)	(16)	(17)
Profit/(Loss) before taxation	(254)	(393)	(779)	(1,336)
Taxation	(55)	(41)	(168)	(161)
Profit/(Loss) net of taxation	(309)	(434)	(947)	(1,497)
Profit/(Loss) attributable to:				
Equity holders of the parent	(309)	(434)	(947)	(1,497)
Non-controlling interests	0	0	0	0
	(309)	(434)	(947)	(1,497)
Total comprehensive income/(loss) attributable to:				
Equity holders of the parent	(309)	(434)	(947)	(1,497)
Non-controlling interests	0	0	0	0
	(309)	(434)	(947)	(1,497)
Earnings/(Loss) per share attributable to equity holders of the parent (sen):				
Basic	(0.37)	(0.51)	(1.12)	(1.77)
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**

as at	UNAUDITED 30.09.2022 (RM'000)	(AUDITED) 31.12.2021 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	35	38
Right of use assets	1,959	1,691
Investment properties	46,115	46,115
Total non-current assets	48,109	47,844
Current Assets		
Inventories	575	570
Trade receivables	395	792
Other receivables, deposits & prepayment	289	508
Tax recoverable	257	234
Fixed deposits with licensed banks	13,979	13,775
Cash and bank balances	2,467	2,976
Total current assets	17,962	18,855
TOTAL ASSETS	66,071	66,699
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	42,240	42,240
Reserves	12,064	13,011
Total equity	54,304	55,251
Non-current liabilities		
Deferred taxation	9,543	9,543
Lease liabilities	263	179
Total non-current liabilities	9,806	9,722
Current Liabilities		
Trade payables	640	537
Other payables and accruals	828	897
Lease liabilities	468	259
Tax payable	25	33
Total current liabilities	1,961	1,726
Total liabilities	11,767	11,448
Total equity and liabilities	66,071	66,699
Net assets	54,304	55,251
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.64	0.65

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**

for the financial period ended	Current Year	Previous Year
	30.09.2022	30.09.2021
	(RM'000)	(RM'000)
	(Unaudited)	(Unaudited)
Profit / (Loss) before taxation	(779)	(1,336)
Adjustments for:		
Interest expenses	16	17
Interest income	(204)	(199)
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	420	445
Inventories written down	0	0
Unrealised (gain)/loss on foreign exchange	0	0
Operating profit/(loss) before working capital changes	(551)	(1,073)
Changes in working capital		
Inventories	(5)	(212)
Receivables	607	(745)
Payables	16	498
Cash generated from/(used in) operations	67	(1,532)
Interest received	204	199
Interest paid	(16)	(17)
Income tax paid	(174)	(198)
Income tax refunded	0	36
Net cash generated from/(used in) operating activities	81	(1,512)
Investing activities		
Proceed from disposal of property, plant and equipment	4	0
Purchase of property, plant and equipment	(8)	(4)
Net cash from/ (used in) investing activities	(4)	(4)
Financing activities		
Repayment of lease liabilities	(384)	(395)
Withdrawal/ (Placement) of deposits not for short term funding	(131)	(109)
Increased in fixed deposit pledged with licensed bank	1	1
Net cash generated from/(used in) financing activities	(514)	(503)
Net increase/ (decrease) in cash and cash equivalents	(437)	(2,019)
Cash and cash equivalents at beginning of financial period	8,511	10,609
Cash and cash equivalents at end of financial period	8,074	8,590
Cash and cash equivalents comprise:		
Cash and bank balances	2,467	3,092
Fixed deposit with licensed banks	13,979	13,681
	16,446	16,773
Less: Deposit not for short term funding requirement	(8,350)	(8,162)
Fixed deposits pledged with licensed bank	(22)	(21)
	8,074	8,590

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**

	<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)
9 months ended 30 Sept 2021					
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	-	(1,497)	(1,497)	0	(1,497)
Balance as at 30 Sept 2021 (unaudited)	42,240	12,677	54,917	0	54,917
9 months ended 30 Sept 2022					
Balance as at 1 January 2022	42,240	13,011	55,251	0	55,251
Net loss for the financial period, representing total comprehensive loss	-	(947)	(947)	0	(947)
Balance as at 30 Sept 2022 (unaudited)	42,240	12,064	54,304	0	54,304

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 Sept 2022				Consolidated RM'000
	Trading/ Property Investment RM'000	Services RM'000	Investment Holding RM'000	Elimination RM'000	
External sales	907	7,854	-	-	8,761
Inter-segment sales	-	-	54	(54)	-
Total revenue	907	7,854	54	(54)	8,761
Results					
Segment results	(509)	132	(590)	0	(967)

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	(967)
Interest income	204
Interest expenses	(16)
Profit/(Loss) before tax	(779)
Income tax (expenses)/credit	(168)
Profit/(Loss) for the financial period	(947)

	Cumulative year ended 30 Sept 2021				Consolidated RM'000
	Trading/ Property Investment RM'000	Services RM'000	Investment Holding RM'000	Elimination RM'000	
External sales	868	7,737	-	-	8,605
Inter-segment sales	-	-	54	(54)	-
Total revenue	868	7,737	54	(54)	8,605
Results					
Segment results	(466)	(473)	(579)	0	(1,518)
Profit/ (Loss) from operations					(1,518)
Interest income					199
Interest expenses					(17)
Profit/(Loss) before tax					(1,336)
Income tax (expenses)/credit					(161)
Profit/(Loss) for the financial period					(1,497)

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 September 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:

	Current quarter as at 30 Sept 2022 RM'000	Cumulative year to date as at 30 Sept 2022 RM'000
Zitron Enterprise (M) Sdn Bhd: Rental and maintenance charge of premises	106	318

15. Review of performance

For the quarter under review, the Group recorded revenue of RM2.55 million, as compared to RM2.97 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 Group recorded a loss before tax ("LBT") of RM0.25 million as compared to LBT of RM0.39 million in the corresponding quarter of the preceding year. The decrease in LBT in the current quarter was due to lower cost of sales and administration expenses; as well as gain on forex in servicing and repairs of mobile telecommunication equipment products division; as compared to the corresponding quarter of the preceding year.

16. Comparison with immediate preceding quarter's results

The Group recorded revenue of RM2.55 million, decrease of 22.5% from the preceding quarter of RM3.29 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 RM0.25 million as compared to LBT of RM0.25 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 to improve the revenue and 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 Group expects its performance to improve marginally in the subsequent quarter of FYE 2022.

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 Sept 2022 RM'000	Cumulative current year to date as at 30 Sept 2022 RM'000
Current tax credit/ (expense)	(55)	(168)
Deferred taxation	0	0
Total income tax credit /(expense)	(55)	(168)

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 Sept 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)	309	947
Number of shares in issue	84,480,000	84,480,000
Basic loss per share (sen)	0.37	1.12

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	73	204
Depreciation of property, plant and equipn	(8)	(24)
Amortisation of right-of-use-assets	(132)	(396)
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 17 November 2022.

By order of the Board

Haji Ariffin Bin Abdul Aziz
Group Executive Director
17 November 2022