



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

Announcement Date: 22 FEB 2023

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 2022.

**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
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	2,401	3,375	11,162	11,980
Interest income	91	94	294	294
Other operating income	4	275	13	296
Gain on revaluation of investment properties	730	470	730	470
Depreciation of property, plant and equipment	(4)	(5)	(14)	(22)
Amortisation of right-of-use-assets	(77)	(110)	(487)	(538)
(Loss)/ Gain on unrealised/realised forex	(1)	0	117	0
Cost of sales and administration expenses	(2,761)	(3,543)	(12,195)	(13,242)
<b>Profit/(Loss) from operation</b>	<b>383</b>	<b>556</b>	<b>(380)</b>	<b>(762)</b>
Finance cost	(5)	(4)	(20)	(21)
<b>Profit/(Loss) before taxation</b>	<b>378</b>	<b>552</b>	<b>(400)</b>	<b>(783)</b>
Taxation	(296)	(218)	(465)	(380)
<b>Profit/(Loss) net of taxation</b>	<b>82</b>	<b>334</b>	<b>(865)</b>	<b>(1,163)</b>
<b>Profit/(Loss) attributable to:</b>				
Equity holders of the parent	82	334	(865)	(1,163)
Non-controlling interests	0	0	0	0
	<b>82</b>	<b>334</b>	<b>(865)</b>	<b>(1,163)</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Equity holders of the parent	82	334	(865)	(1,163)
Non-controlling interests	0	0	0	0
	<b>82</b>	<b>334</b>	<b>(865)</b>	<b>(1,163)</b>
<b>Earnings/(Loss) per share attributable to equity holders of the parent (sen):</b>				
Basic	0.10	0.40	(1.02)	(1.38)
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) 31.12.2022 (RM'000)	(AUDITED) 31.12.2021 (RM'000)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	33	38
Right of use assets	1,798	1,691
Investment properties	46,845	46,115
Other investments	0	0
<b>Total non-current assets</b>	<b>48,676</b>	<b>47,844</b>
<b>Current Assets</b>		
Inventories	873	570
Trade receivables	246	792
Other receivables, deposits & prepayment	342	508
Tax recoverable	274	234
Fixed deposits with licensed banks	12,743	13,775
Cash and bank balances	3,532	2,976
<b>Total current assets</b>	<b>18,010</b>	<b>18,855</b>
<b>TOTAL ASSETS</b>	<b>66,686</b>	<b>66,699</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	42,240	42,240
Reserves	12,146	13,011
<b>Total equity</b>	<b>54,386</b>	<b>55,251</b>
<b>Non-current liabilities</b>		
Deferred taxation	9,777	9,543
Lease liabilities	166	178
<b>Total non-current liabilities</b>	<b>9,943</b>	<b>9,721</b>
<b>Current Liabilities</b>		
Trade payables	938	538
Other payables and accruals	949	896
Lease liabilities	408	260
Tax payable	62	33
<b>Total current liabilities</b>	<b>2,357</b>	<b>1,727</b>
<b>Total liabilities</b>	<b>12,300</b>	<b>11,448</b>
<b>Total equity and liabilities</b>	<b>66,686</b>	<b>66,699</b>
<b>Net assets</b>	<b>54,386</b>	<b>55,251</b>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	<b>0.64</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**

for the financial year ended	<b>Current Year</b>	<b>Previous Year</b>
	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
	<b>(Unaudited)</b>	<b>(audited)</b>
<b>Profit / (Loss) before taxation</b>	(400)	(782)
Adjustments for:		
Interest expenses	20	21
Interest income	(294)	(294)
Gain on revaluation of investment property	(730)	(470)
Gain on disposal of property, plant and equipment	(5)	(79)
Depreciation of property, plant and equipment	14	21
Amortisation of right-of-use assets	487	539
Inventories written down	0	0
Unrealised (gain)/ loss on foreign exchange	3	2
Operating profit/(loss) before working capital changes	(905)	(1,042)
Changes in working capital		
Inventories	(303)	(60)
Receivables	646	(262)
Payables	506	(194)
Cash generated from/(used in) operations	(54)	(1,558)
Interest received	294	294
Interest paid	(20)	(21)
Income tax paid	(233)	(265)
Income tax refunded	0	52
<b>Net cash generated from/(used in) operating activities</b>	<b>(13)</b>	<b>(1,498)</b>
<b>Investing activities</b>		
Proceed from disposal of property, plant and equipment	5	79
Disposal of investment	0	0
Purchase of property, plant and equipment	(8)	(9)
Addition to right of use assets	0	0
<b>Net cash from/ (used in) investing activities</b>	<b>(3)</b>	<b>70</b>
<b>Financing activities</b>		
Repayment of lease liabilities	(460)	(503)
Increase in fixed deposits pledged with licensed bank	(1)	(1)
(Placement)/ Withdrawal of deposits not for short term funding	(185)	(166)
<b>Net cash generated from/(used in) financing activities</b>	<b>(646)</b>	<b>(670)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(662)</b>	<b>(2,098)</b>
<b>Cash and cash equivalents at beginning of financial year</b>	<b>8,511</b>	<b>10,609</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>7,849</b>	<b>8,511</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	3,532	2,976
Fixed deposit with licensed banks	12,743	13,775
	16,275	16,751
Less: Deposit not for short term funding requirement	(8,404)	(8,219)
Fixed deposits pledged with licensed banks	(22)	(21)
	<b>7,849</b>	<b>8,511</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

	<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 2021</b>					
Balance as at 1 January 2021	42,240	14,174	56,414	0	56,414
Net loss for the financial year, representing total comprehensive income	-	(1,163)	(1,163)	0	(1,163)
<b>Balance as at 31 Dec 2021 (audited)</b>	<b>42,240</b>	<b>13,011</b>	<b>55,251</b>	<b>0</b>	<b>55,251</b>
<b>12 months ended 31 Dec 2022</b>					
Balance as at 1 January 2022	42,240	13,011	55,251	0	55,251
Net loss for the financial year, representing total comprehensive loss	-	(865)	(865)	0	(865)
<b>Balance as at 31 Dec 2022 (unaudited)</b>	<b>42,240</b>	<b>12,146</b>	<b>54,386</b>	<b>0</b>	<b>54,386</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.

	<b>Cumulative year ended 31 Dec 2022</b>				
	<b>Trading/ Property Investment RM'000</b>	<b>Services RM'000</b>	<b>Investment Holding RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
External sales	1,211	9,951	-	-	11,162
Inter-segment sales	-	-	72	(72)	-
Total revenue	1,211	9,951	72	(72)	11,162

Results					
Segment results	(24)	41	(691)	0	(674)
Profit/ (Loss) from operations					(674)
Interest income					294
Interest expenses					(20)
Profit/(Loss) before tax					(400)
Income tax (expenses)/credit					(465)
<b>Profit/(Loss) for the financial year</b>					<b>(865)</b>

	Cumulative year ended 31 Dec 2021				
	Trading/ Property Investment RM'000	Services RM'000	Investment Holding RM'000	Elimination RM'000	Consolidated RM'000
External sales	1,186	10,794	-	-	11,980
Inter-segment sales	-	-	72	(72)	-
Total revenue	1,186	10,794	72	(72)	11,980
Results					
Segment results	(49)	(252)	(755)	0	(1,056)
Profit/ (Loss) from operations					(1,056)
Interest income					294
Interest expenses					(21)
Profit/(Loss) before tax					(783)
Income tax (expenses)/credit					(380)
<b>Profit/(Loss) for the financial year</b>					<b>(1,163)</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 RM0.54 million.

#### 13. Capital commitments

There were no capital commitments contracted by the Group to any parties as at 31 December 2022.

**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 2022 RM'000</b>	<b>Cumulative year to date as at 31 Dec 2022 RM'000</b>
Zitron Enterprise (M) Sdn Bhd: Rental and maintenance charge of premises	106	423

**15. Review of performance**

For the quarter under review, the Group recorded revenue of RM2.40 million, 28.8% lower than revenue of RM3.37 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 lower revenue, being less business activities during the current quarter under review.

The Group recorded a profit before tax ("PBT") of RM0.38 million as compared to PBT of RM0.56 million in the corresponding quarter of the preceding year. The PBT was resulted from revaluation surplus on investment properties of RM0.73 million.

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

The Group recorded revenue of RM2.40 million, a decrease of 5.9% from the preceding quarter of RM2.55 million. The decrease in revenue was mainly due to decrease in sales from the servicing and repairs of mobile telecommunication equipment products division.

The Group recorded a PBT of RM0.38 million as compared to loss before taxation of RM0.31 million in the preceding quarter. As stated in Note 15, the PBT was resulted from revaluation surplus on investment properties amounted to RM0.73 million.

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

**17. Prospects**

Despite experiencing challenges in servicing and repairs of mobile telecommunication products division in the second half of 2022, the business activities are anticipated to pick up in 2023. The Group expects its performance to improve marginally in the subsequent quarters of FYE 2023.

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.

**19. Taxation**

	<b>Current quarter as at 31 Dec 2022 RM'000</b>	<b>Cumulative current year to date as at 31 Dec 2022 RM'000</b>
Current tax credit/ (expense)	(62)	(231)
Deferred taxation	(234)	(234)
Total income tax credit /(expense)	(296)	(465)

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 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**

	<b>Current quarter</b>	<b>Cumulative financial year to date</b>
Net profit/( loss) attributable to equity holders of the parent (RM'000)	82	(865)
Number of shares in issue	84,480,000	84,480,000
<b>Basic profit/(loss) per share (sen)</b>	<b>0.10</b>	<b>(1.02)</b>

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

	<b>Current quarter</b>	<b>Cumulative financial year to date</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest income from fixed deposits	91	294
Gain on revaluation of investment properties	730	730
Depreciation of property, plant and equipment	(4)	(14)
Amortisation of right-of-use-assets	(77)	(487)

**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 22 February 2023.

By order of the Board

Haji Ariffin Bin Abdul Aziz  
Group Executive Director  
22 February 2023