



WATTA HOLDING BERHAD (199401038699)(324384-A)
Financial Period for Quarter (January 2024 – March 2024)
Financial Year 2024 (January 2024 – December 2024)

Announcement Date: 30 MAY 2024

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 2024.

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
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	1,875	2,163	1,875	2,163
Interest income	51	91	51	91
Other operating income	0	0	0	0
Gain on revaluation of investment properties	0	0	0	0
Depreciation and amortisation	(101)	(101)	(101)	(101)
Gain on disposal of property, plant and equipment	0	0	0	0
Gain on unrealised/realised forex	0	0	0	0
Cost of sales and Administration expenses	(2,342)	(2,636)	(2,342)	(2,636)
Profit/(Loss) from operation	(517)	(483)	(517)	(483)
Finance cost	(1)	(4)	(1)	(4)
Profit/(Loss) before taxation	(518)	(487)	(518)	(487)
Taxation	(55)	(55)	(55)	(55)
Profit/(Loss) net of taxation	(573)	(542)	(573)	(542)
Profit/(Loss) attributable to:				
Equity holders of the parent	(573)	(542)	(573)	(542)
Non-controlling interests	0	0	0	0
	(573)	(542)	(573)	(542)
Total comprehensive income/(loss) attributable to:				
Equity holders of the parent	(573)	(542)	(573)	(542)
Non-controlling interests	0	0	0	0
	(573)	(542)	(573)	(542)
Earnings/(Loss) per share attributable to equity holders of the parent (sen):				
Basic	(0.68)	(0.64)	(0.68)	(0.64)
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 2023 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 31.03.2024 (RM'000)	(AUDITED) 31.12.2023 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	41	45
Right of use assets	1,301	1,398
Investment properties	47,575	47,575
	48,917	49,018
Current Assets		
Inventories	264	291
Trade receivables	347	413
Other receivables, deposits & prepayment	325	352
Tax recoverable	264	278
Fixed deposits with licensed banks	22	2,648
Cash and bank balances	13,227	11,118
	14,449	15,100
TOTAL ASSETS	63,366	64,118
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	42,240	42,240
Reserves	9,607	10,180
Total equity	51,847	52,420
Non-current liabilities		
Deferred taxation	10,001	10,001
Lease liabilities	0	7
	10,001	10,008
Current Liabilities		
Trade payables	450	519
Other payables and accruals	920	941
Lease liabilities	103	189
Tax payable	45	41
	1,518	1,690
Total equity and liabilities	63,366	64,118
Net assets	51,847	52,420
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.61	0.62

The unaudited condensed statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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
	31.03.2024	31.03.2023
	(RM'000)	(RM'000)
	(Unaudited)	(Unaudited)
Profit / (Loss) before taxation	(518)	(487)
Adjustments for:		
Interest expenses	1	4
Interest income	(51)	(91)
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	101	101
Inventories written down	0	0
Unrealised loss/(gain) on foreign exchange	0	0
Operating (loss)/profit before working capital changes	(467)	(473)
Changes in working capital		
Inventories	27	425
Receivables	94	63
Payables	(90)	(559)
Cash generated from/(used in) operations	(436)	(544)
Interest received	51	91
Interest paid	(1)	(4)
Income tax paid	(57)	(56)
Income tax refunded	19	0
Net cash generated from/(used in) operating activities	(424)	(513)
Investing activities		
Proceed from disposal of property, plant and equipment	0	0
Purchase of property, plant and equipment	0	(1)
Net cash from/ (used in) investing activities	0	(1)
Financing activities		
Repayment of finance lease payable	(93)	(90)
(Placement)/ withdrawal of deposits not for short term funding	507	364
Net cash (used in)/generated from financing activities	414	274
Net decrease in cash and cash equivalents	(10)	(240)
Cash and cash equivalents at beginning of financial period	13,237	7,849
Cash and cash equivalents at end of financial period	13,227	7,609
Cash and cash equivalents comprise:		
Cash and bank balances	13,227	3,263
Fixed deposit with licensed banks	22	12,406
	13,249	15,669
Less: Deposit not for short term funding requirement	0	(8,039)
Fixed deposits pledged with a licensed bank	(22)	(21)
	13,227	7,609

The unaudited condensed statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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)
3 months ended 31 March 2023					
Balance as at 1 January 2023	42,240	12,150	54,390	0	54,390
Net loss for the financial period, representing total comprehensive loss	-	(542)	(542)	0	(542)
Balance as at 31 March 2023 (unaudited)	42,240	11,608	53,848	0	53,848
3 months ended 31 March 2024					
Balance as at 1 January 2024	42,240	10,180	52,420	0	52,420
Net loss for the financial period, representing total comprehensive loss	-	(573)	(573)	0	(573)
Balance as at 31 March 2024 (unaudited)	42,240	9,607	51,847	0	51,847

The unaudited condensed statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 2023.

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 2023 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 2024.

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 2023.

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 2024				Consolidated RM'000
	Trading/ Property Investment RM'000	Services RM'000	Investment Holding RM'000	Elimination RM'000	
External sales	317	1,558	-	-	1,875
Inter-segment sales	-	-	18	(18)	-
Total revenue	317	1,558	18	(18)	1,875

Results					
Segment results	(184)	(197)	(187)	0	(568)
Loss from operations					(568)
Interest income					51
Interest expenses					(1)
Loss before tax					(518)
Income tax (expenses)/credit					(55)
Loss for the financial period					(573)

	Cumulative year ended 31 March 2023				
	Trading/ Property Investment RM'000	Services RM'000	Investment Holding RM'000	Elimination RM'000	Consolidated RM'000
External sales	306	1,857	-	-	2,163
Inter-segment sales	-	-	18	(18)	-
Total revenue	306	1,857	18	(18)	2,163
Results					
Segment results	(154)	(200)	(220)	0	(574)
Loss from operations					(574)
Interest income					91
Interest expenses					(4)
Loss before tax					(487)
Income tax (expenses)/ credit					(55)
Loss for the financial period					(542)

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

There were no unsecured corporate guarantees granted to subsidiary companies for the financial quarter under review.

13. Capital commitments

There were no capital commitments contracted by the Group to any parties as at 31 March 2024.

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 31 March 2024 RM'000	Cumulative year to date as at 31 March 2023 RM'000
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Zitron Enterprise (M) Sdn Bhd:

Rental and maintenance charge of premises

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15. Review of performance

For the quarter under review, the Group recorded revenue of RM1.88 million, 13.0% lower than revenue of RM2.16 million in the corresponding quarter of the preceding year. Sales from the servicing and repairs of mobile telecommunication equipment products division were lower during the quarter under review; due to the weak consumer demand of new mobile phones in the market. The revenue contributed by investment properties division has been consistent.

The Group recorded a loss before tax ("LBT") of RM0.52 million as compared to LBT of RM0.49 million in the corresponding quarter of the preceding year. The LBT was higher due to lower sales as compared to the corresponding quarter of preceding year. No significant expenses incurred during the current quarter.

16. Comparison with immediate preceding quarter's results

The Group recorded revenue of RM1.88 million, 12.1% lower than revenue of RM2.14 million as compared to preceding quarter. The decrease in revenue was mainly due to the decline in sales from the servicing and repairs of mobile telecommunication equipment products division.

For the current quarter under review, the Group recorded a LBT of RM0.52 million as compared to profit before tax ("PBT") of RM0.17 million in the preceding quarter. In the immediate preceding quarter, the Group recognized a revaluation surplus on investment properties amounted to RM0.73 million and resulted in profit.

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

17. Prospects

The demand for new mobile telecommunication sets have not seen improvements as consumers have been cautious in their spending.

Due to the weak consumer demand of new mobile telecommunication sets, the servicing and repairs of mobile telecommunication equipment products division have been impacted accordingly.

We foresee the subsequent quarters of financial year 2024 will continue to be challenging.

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

	Current quarter as at 31 March 2024 RM'000	Cumulative current year to date as at 31 March 2024 RM'000
Current tax credit/ (expense)	(55)	(55)
Deferred taxation	0	0
Total income tax credit /(expense)	<u>(55)</u>	<u>(55)</u>

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 2024.

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)	573	573
Number of shares in issue	84,480,000	84,480,000
Basic loss per share (sen)	<u>(0.68)</u>	<u>(0.68)</u>

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	51	51
Gain on disposal of property, plant and equipment	0	0
Depreciation of property, plant and equipment	(4)	(4)
Amortisation of right-of-use-assets	<u>(97)</u>	<u>(97)</u>

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 30 May 2024.

By order of the Board

Haji Ariffin Bin Abdul Aziz
Group Executive Director
30 May 2024