



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

Announcement Date: 20 AUG 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 second quarter ended 30 June 2024.

**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	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	1,529	2,082	3,404	4,245
Interest income	174	118	225	209
Other operating income	1	2	1	3
Gain on revaluation of investment properties	0	0	0	0
Depreciation and amortisation	(101)	(101)	(203)	(202)
Gain on disposal of property, plant and equipment	0	0	0	0
Gain /(Loss) on unrealised/realised forex	0	0	0	0
Cost of sales and administration expenses	(2,037)	(2,681)	(4,378)	(5,318)
<b>Profit/(Loss) from operation</b>	<b>(434)</b>	<b>(580)</b>	<b>(951)</b>	<b>(1,063)</b>
Finance cost	(4)	(3)	(5)	(7)
<b>Profit/(Loss) before taxation</b>	<b>(438)</b>	<b>(583)</b>	<b>(956)</b>	<b>(1,070)</b>
Taxation	(55)	(56)	(110)	(111)
<b>Profit/(Loss) net of taxation</b>	<b>(493)</b>	<b>(639)</b>	<b>(1,066)</b>	<b>(1,181)</b>
<b>Profit/(Loss) attributable to:</b>				
Equity holders of the parent	(493)	(639)	(1,066)	(1,181)
Non-controlling interests	0	0	0	0
	<b>(493)</b>	<b>(639)</b>	<b>(1,066)</b>	<b>(1,181)</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Equity holders of the parent	(493)	(639)	(1,066)	(1,181)
Non-controlling interests	0	0	0	0
	<b>(493)</b>	<b>(639)</b>	<b>(1,066)</b>	<b>(1,181)</b>
<b>Earnings/(Loss) per share attributable to equity holders of the parent (sen):</b>				
Basic	(0.58)	(0.76)	(1.26)	(1.40)
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 30.06.2024 (RM'000)	(AUDITED) 31.12.2023 (RM'000)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	38	45
Right of use assets	1,764	1,398
Investment properties	47,575	47,575
<b>Total non-current assets</b>	<b>49,377</b>	<b>49,018</b>
<b>Current Assets</b>		
Inventories	172	291
Trade receivables	255	413
Other receivables, deposits & prepayment	491	352
Tax recoverable	268	278
Fixed deposits with licensed banks	10,158	2,648
Cash and bank balances	2,669	11,118
<b>Total current assets</b>	<b>14,013</b>	<b>15,100</b>
<b>TOTAL ASSETS</b>	<b>63,390</b>	<b>64,118</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	42,240	42,240
Reserves	9,114	10,180
<b>Total equity</b>	<b>51,354</b>	<b>52,420</b>
<b>Non-current liabilities</b>		
Deferred taxation	10,001	10,001
Lease liabilities	279	7
<b>Total non-current liabilities</b>	<b>10,280</b>	<b>10,008</b>
<b>Current Liabilities</b>		
Trade payables	327	519
Other payables and accruals	889	941
Lease liabilities	295	189
Tax payable	245	41
<b>Total current liabilities</b>	<b>1,756</b>	<b>1,690</b>
<b>Total liabilities</b>	<b>12,036</b>	<b>11,698</b>
<b>Total equity and liabilities</b>	<b>63,390</b>	<b>64,118</b>
<b>Net assets</b>	<b>51,354</b>	<b>52,420</b>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	<b>0.61</b>	<b>0.62</b>

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	<b>Current Year</b>	<b>Previous Year</b>
	<b>30.06.2024</b>	<b>30.06.2023</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Profit / (Loss) before taxation</b>	(956)	(1,070)
Adjustments for:		
Interest expenses	5	7
Interest income	(225)	(209)
Gain on disposal of property, plant and equipment	0	0
Gain on revaluation of investment property	0	0
Waiver of debts from payable	0	0
Depreciation and amortisation	203	202
Inventories written down	0	0
Unrealised (gain)/loss on foreign exchange	0	0
Operating profit/(loss) before working capital changes	(973)	(1,070)
Changes in working capital		
Inventories	119	457
Receivables	216	(53)
Payables	(244)	(526)
Cash generated from/(used in) operations	(882)	(1,192)
Interest received	225	209
Interest paid	(5)	(7)
Income tax paid	(113)	(112)
Income tax refunded	20	0
<b>Net cash generated from/(used in) operating activities</b>	<b>(755)</b>	<b>(1,102)</b>
<b>Investing activities</b>		
Proceed from disposal of property, plant and equipment	0	0
Purchase of property, plant and equipment	0	(5)
<b>Net cash from/ (used in) investing activities</b>	<b>0</b>	<b>(5)</b>
<b>Financing activities</b>		
Repayment of lease liabilities	(184)	(181)
Withdrawal/ (Placement) of deposits not for short term funding	(9,629)	275
Increased in fixed deposit pledged with licensed bank	0	0
<b>Net cash generated from/(used in) financing activities</b>	<b>(9,813)</b>	<b>94</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(10,568)</b>	<b>(1,013)</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>13,237</b>	<b>7,849</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>2,669</b>	<b>6,836</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	2,669	2,463
Fixed deposit with licensed banks	10,158	12,524
	12,827	14,987
Less: Deposit not for short term funding requirement	(10,158)	(8,129)
Fixed deposits pledged with licensed bank	0	(22)
	<b>2,669</b>	<b>6,836</b>

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)
<b>6 months ended 30 June 2023</b>					
Balance as at 1 January 2023	42,240	12,149	54,389	0	54,389
Net loss for the financial period, representing total comprehensive loss	-	(1,181)	(1,181)	0	(1,181)
<b>Balance as at 30 June 2023 (unaudited)</b>	<b>42,240</b>	<b>10,968</b>	<b>53,208</b>	<b>0</b>	<b>53,208</b>
<b>6 months ended 30 June 2024</b>					
Balance as at 1 January 2024	42,240	10,180	52,420	0	52,420
Net loss for the financial period, representing total comprehensive income	-	(1,066)	(1,066)	0	(1,066)
<b>Balance as at 30 June 2024 (unaudited)</b>	<b>42,240</b>	<b>9,114</b>	<b>51,354</b>	<b>0</b>	<b>51,354</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 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 30 June 2024				Consolidated RM'000
	Trading/ Property Investment RM'000	Services RM'000	Investment Holding RM'000	Elimination RM'000	
External sales	633	2,771	-	-	3,404
Inter-segment sales	-	-	36	(36)	-
Total revenue	633	2,771	36	(36)	3,404
Results					
Segment results	(357)	(410)	(409)	0	(1,176)

**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	(1,176)
Interest income	225
Interest expenses	(5)
Profit/(Loss) before tax	(956)
Income tax (expenses)/credit	(110)
<b>Profit/(Loss) for the financial period</b>	<b>(1,066)</b>

	Cumulative year ended 30 June 2023				Consolidated RM'000
	Trading/ Property Investment RM'000	Services RM'000	Investment Holding RM'000	Elimination RM'000	
External sales	614	3,631	-	-	4,245
Inter-segment sales	-	-	36	(36)	-
Total revenue	614	3,631	36	(36)	4,245
Results					
Segment results	(333)	(555)	(384)	0	(1,272)
Profit/ (Loss) from operations					(1,272)
Interest income					209
Interest expenses					(7)
Profit/(Loss) before tax					(1,070)
Income tax (expenses)/credit					(111)
<b>Profit/(Loss) for the financial period</b>					<b>(1,181)</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**

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 30 June 2024.

**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 2024 RM'000</b>	<b>Cumulative year to date as at 30 June 2024 RM'000</b>
Zitron Enterprise (M) Sdn Bhd: Rental and maintenance charge of premises	106	212

**15. Review of performance**

The Group operated in 2 core business divisions; servicing and repair of telecommunication equipment products division and investment properties division.

For the quarter under review, the Group recorded revenue of RM1.53 million, as compared to RM2.08 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 decline in overall sales of mobile phones in the market. The revenue contributed by investment properties division has been consistent.

The Group recorded a loss before tax ("LBT") of RM0.44 million as compared to LBT of RM0.58 million in the corresponding quarter of the preceding year. The LBT was lower due to lower in operating expenditures 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 RM1.53 million, a decrease of 18.6% from the preceding quarter of RM1.88 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 RM0.44 million as compared to LBT of RM0.52 million in the preceding quarter. The LBT was lower in current quarter as a result of lower operating expenditures.

**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.

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

	<b>Current quarter as at 30 June 2024 RM'000</b>	<b>Cumulative current year to date as at 30 June 2024 RM'000</b>
Current tax credit/ (expense)	(55)	(110)
Deferred taxation	0	0
Total income tax credit /(expense)	(55)	(110)

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 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**

	<b>Current quarter</b>	<b>Cumulative financial year to date</b>
Net loss attributable to equity holders of the parent (RM'000)	493	1,066
Number of shares in issue	84,480,000	84,480,000
<b>Basic loss per share (sen)</b>	<b>0.58</b>	<b>1.26</b>

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

	<b>Current quarter RM'000</b>	<b>Cumulative financial year to date RM'000</b>
Interest income from fixed deposits	174	225
Depreciation of property, plant and equipment	(8)	(17)
Amortisation of right-of-use-assets	(93)	(186)

**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 20 August 2024.

By order of the Board

Haji Ariffin Bin Abdul Aziz  
Group Executive Director  
20 August 2024