



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

Announcement Date: 20 Nov 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 third quarter ended 30 September 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 (9 mths)	
	Current Year	Previous Year	Current Year	Previous Year
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	1,599	2,221	5,002	6,466
Interest income	100	101	326	310
Other operating income	0	0	0	0
Gain on revaluation of investment properties	0	0	0	0
Depreciation and amortisation	(101)	(101)	(304)	(304)
Gain on disposal of property, plant and equipment	0	0	0	0
Gain /(Loss) on unrealised/realised forex	0	(1)	0	2
Cost of sales and administration expenses	(2,033)	(2,810)	(6,410)	(8,127)
Profit/(Loss) from operation	(435)	(590)	(1,386)	(1,653)
Finance cost	(3)	(2)	(8)	(10)
Profit/(Loss) before taxation	(438)	(592)	(1,394)	(1,663)
Taxation	(58)	(55)	(168)	(166)
Profit/(Loss) net of taxation	(496)	(647)	(1,562)	(1,829)
Profit/(Loss) attributable to:				
Equity holders of the parent	(496)	(647)	(1,562)	(1,829)
Non-controlling interests	0	0	0	0
	(496)	(647)	(1,562)	(1,829)
Total comprehensive income/(loss) attributable to:				
Equity holders of the parent	(496)	(647)	(1,562)	(1,829)
Non-controlling interests	0	0	0	0
	(496)	(647)	(1,562)	(1,829)
Earnings/(Loss) per share attributable to equity holders of the parent (sen):				
Basic	(0.59)	(0.77)	(1.85)	(2.17)
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 30.09.2023 (RM'000)	(AUDITED) 31.12.2023 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	35	45
Right of use assets	1,666	1,398
Investment properties	47,575	47,575
Total non-current assets	49,276	49,018
Current Assets		
Inventories	196	291
Trade receivables	266	413
Other receivables, deposits & prepayment	269	352
Tax recoverable	206	278
Fixed deposits with licensed banks	10,247	2,648
Cash and bank balances	1,958	11,118
Total current assets	13,142	15,100
TOTAL ASSETS	62,418	64,118
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	42,240	42,240
Reserves	8,618	10,180
Total equity	50,858	52,420
Non-current liabilities		
Deferred taxation	10,001	10,001
Lease liabilities	143	7
Total non-current liabilities	10,144	10,008
Current Liabilities		
Trade payables	225	519
Other payables and accruals	839	941
Lease liabilities	340	189
Tax payable	12	41
Total current liabilities	1,416	1,690
Total liabilities	11,560	11,698
Total equity and liabilities	62,418	64,118
Net assets	50,858	52,420
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.60	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
	30.09.2024	30.09.2023
	(RM'000)	(RM'000)
	(Unaudited)	(Unaudited)
Profit / (Loss) before taxation	(1,394)	(1,663)
Adjustments for:		
Interest expenses	8	10
Interest income	(326)	(310)
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	304	304
Inventories written down	0	0
Unrealised (gain)/loss on foreign exchange	0	0
Operating profit/(loss) before working capital changes	(1,408)	(1,659)
Changes in working capital		
Inventories	95	512
Receivables	231	(358)
Payables	(396)	(582)
Cash generated from/(used in) operations	(1,478)	(2,087)
Interest received	326	310
Interest paid	(8)	(10)
Income tax paid	(215)	(183)
Income tax refunded	88	0
Net cash generated from/(used in) operating activities	(1,287)	(1,970)
Investing activities		
Proceed from disposal of property, plant and equipment	0	0
Purchase of property, plant and equipment	0	(9)
Net cash from/ (used in) investing activities	0	(9)
Financing activities		
Repayment of lease liabilities	(275)	(273)
Withdrawal/ (Placement) of deposits not for short term funding	(9,717)	417
Increased in fixed deposit pledged with licensed bank	0	0
Net cash generated from/(used in) financing activities	(9,992)	144
Net increase/ (decrease) in cash and cash equivalents	(11,279)	(1,835)
Cash and cash equivalents at beginning of financial period	13,237	7,849
Cash and cash equivalents at end of financial period	1,958	6,014
Cash and cash equivalents comprise:		
Cash and bank balances	1,958	1,610
Fixed deposit with licensed banks	10,247	12,413
	12,205	14,023
Less: Deposit not for short term funding requirement	(10,247)	(7,987)
Fixed deposits pledged with licensed bank	0	(22)
	1,958	6,014

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>				
	<u>Share Capital</u>	<u>Distributable Retained Profits</u>	<u>Total</u>	<u>Non-Controlling Interest</u>	<u>Total Equity</u>
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
9 months ended 30 Sept 2023					
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	-	(1,829)	(1,829)	0	(1,829)
Balance as at 30 Sept 2023 (unaudited)	42,240	10,320	52,560	0	54,560
9 months ended 30 Sept 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	-	(1,562)	(1,562)	0	(1,562)
Balance as at 30 Sept 2024 (unaudited)	42,240	8,618	50,858	0	50,858

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 Holding 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 Sept 2024				Consolidated RM'000
	Trading/ Property Investment RM'000	Services RM'000	Investment Holding RM'000	Elimination RM'000	
External sales	949	4,053	-	-	5,002
Inter-segment sales	-	-	54	(54)	-
Total revenue	949	4,053	54	(54)	5,002
Results					
Segment results	(532)	(593)	(587)	0	(1,712)

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	(1,712)
Interest income	326
Interest expenses	(8)
Profit/(Loss) before tax	(1,394)
Income tax (expenses)/credit	(168)
Profit/(Loss) for the financial period	(1,562)

	Cumulative year ended 30 Sept 2023				Consolidated RM'000
	Trading/ Property Investment RM'000	Services RM'000	Investment Holding RM'000	Elimination RM'000	
External sales	924	5,542	-	-	6,466
Inter-segment sales	-	-	54	(54)	-
Total revenue	924	5,542	54	(54)	6,466
Results					
Segment results	(434)	(910)	(619)	0	(1,963)
Profit/ (Loss) from operations					(1,963)
Interest income					310
Interest expenses					(10)
Profit/(Loss) before tax					(1,663)
Income tax (expenses)/credit					(166)
Profit/(Loss) for the financial period					(1,829)

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 September 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:

	Current quarter as at 30 Sept 2024 RM'000	Cumulative year to date as at 30 Sept 2024 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 RM1.60 million, as compared to RM2.22 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 RM0.44 million as compared to LBT of RM0.59 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 increased marginally.

16. Comparison with immediate preceding quarter's results

The Group recorded revenue of RM1.60 million, an increase of 4.5% from the preceding quarter of RM1.53 million. The increase in revenue was due to the moderate increase in sales from the servicing and repairs of mobile telecommunication equipment products division in the current quarter as compared to the preceding quarter.

The Group recorded a LBT of RM0.44 million in the current quarter as well as in the preceding quarter. The LBT has been 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

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

We foresee the subsequent quarter of financial year 2024 to remain 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**

	Current quarter as at 30 Sept 2024 RM'000	Cumulative current year to date as at 30 Sept 2024 RM'000
Current tax credit/ (expense)	(58)	(168)
Deferred taxation	0	0
Total income tax credit /(expense)	(58)	(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 2024.

22. Material litigation

There were no material litigations pending at the date of this report.

23. Dividend

No dividend declared for the current financial period under review.

24. Profit / (Loss) per ordinary share

	Current quarter	Cumulative financial year to date
Net loss attributable to equity holders of the parent (RM'000)	496	1,562
Number of shares in issue	84,480,000	84,480,000
Basic loss per share (sen)	0.59	1.85

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	100	326
Depreciation of property, plant and equipr:	(8)	(25)
Amortisation of right-of-use-assets	(93)	(279)

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 November 2024.

By order of the Board

Haji Ariffin Bin Abdul Aziz
Group Executive Director
20 November 2024