



WIDAD GROUP BERHAD
Registration No.: 200901014295 (857363-U)

**INTERIM FINANCIAL REPORT
FOR THE PERIOD FROM 1 OCTOBER 2024 TO 31 DECEMBER 2024**

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WIDAD GROUP BERHAD

Registration No.: 200901014295 (857363-U)



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<u>QUARTER ENDED</u>		<u>YEAR-TO-DATE</u>	
	<u>31.12.2024</u>	<u>31.12.2023</u>	<u>31.12.2024</u>	<u>31.12.2023</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	60,085	80,354	137,736	230,612
Cost of sales	(53,051)	(78,973)	(120,866)	(214,166)
Gross profit	7,034	1,381	16,870	16,446
Other income	152	660	694	738
Impairment loss on asset held for sale	(3,973)	-	(3,973)	-
Administrative expenses	(9,897)	(10,309)	(29,633)	(32,619)
Impairment loss on financial asset	(5,799)	(708)	(5,799)	(806)
Other expenses	(67)	(266)	(67)	(296)
Operating loss	(12,550)	(9,242)	(21,908)	(16,537)
Finance income	6,901	7,423	27,788	28,247
Finance costs	(6,503)	(7,812)	(24,430)	(25,760)
Loss before tax	(12,152)	(9,631)	(18,550)	(14,050)
Tax expense	(2,318)	(278)	(5,350)	(2,582)
Loss after tax for the period	(14,470)	(9,909)	(23,900)	(16,632)
(Loss)/Profit for the period attributable to:				
- Owners of the Company	(14,465)	(9,903)	(23,895)	(16,626)
- Non-controlling interest	(5)	(6)	(5)	(6)
	(14,470)	(9,909)	(23,900)	(16,632)
Earnings per share (sen)				
- Basic	(0.07)	(0.33)	(0.30)	(0.56)

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<u>31.12.2024</u>	<u>Audited</u> <u>31.12.2023</u>
	<u>RM'000</u>	<u>RM'000</u>
ASSETS		
Non-current assets		
Property, plant and equipment	9,085	15,404
Right-of-use assets	951	40,581
Goodwill on consolidation	8,741	8,741
Contract assets	410,992	446,102
Fixed deposits with licensed banks	13,756	12,371
Deferred tax assets	8,862	8,800
Total non-current assets	<u>452,387</u>	<u>531,999</u>
Current assets		
Contract assets	282,413	300,993
Trade receivables	128,578	94,996
Other receivables	3,703	3,243
Tax Recoverable	517	147
Fixed deposits with licensed banks	70	231
Cash and bank balances	131,730	155,951
Total current assets	<u>547,011</u>	<u>555,561</u>
Asset held for sale	38,800	-
TOTAL ASSETS	<u>1,038,198</u>	<u>1,087,560</u>
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the Company		
Share capital	303,644	303,644
Retained earnings	128,822	152,717
	432,466	456,361
Non-controlling interest	(8)	(3)
Total equity	<u>432,458</u>	<u>456,358</u>
LIABILITIES		
Non-current liabilities		
Borrowings	328,622	386,759
Lease liabilities	510	370
Deferred tax liabilities	61,388	64,425
Total non-current liabilities	<u>390,520</u>	<u>451,553</u>
Current liabilities		
Contract liabilities	41,055	31,615
Trade payables	54,525	47,265
Other payables	15,657	12,003
Borrowings	94,009	76,469
Lease liabilities	191	353
Tax payable	9,783	11,944
Total current liabilities	<u>215,220</u>	<u>179,649</u>
Total liabilities	<u>605,740</u>	<u>631,202</u>
Total Equity and Liabilities	<u>1,038,198</u>	<u>1,087,560</u>
Net Tangible Assets per share (RM)	<u>0.14</u>	<u>0.15</u>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Distributable Retained Earnings	Attributable to Owners of the Company	Non- controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2024	303,644	152,717	456,361	(3)	456,358
(Loss)/Profit for the financial period	-	(23,895)	(23,895)	(5)	(23,900)
Balance as at 31 December 2024	303,644	128,821	432,466	(8)	432,458

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 31.12.2024	Audited 31.12.2023
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit / (Loss) before tax	(18,550)	(14,050)
Adjustments for;		
Asset held for sales	3,973	-
Depreciation of property, plant and equipment	2,306	2,434
Depreciation of right-of-use assets	1,347	1,325
Impairment loss on receivables	5,799	806
Interest expenses	24,430	25,760
Interest income	(2,172)	(1,078)
Gain on disposal of property, plant and equipment	(30)	-
Interest income arising from concession contract	(25,616)	(27,170)
Operating profit before working capital changes	(8,514)	(11,973)
Changes in working capital;		
Contract balances	88,746	(325)
Receivables	(39,612)	(53,480)
Payables	10,914	(16,873)
Cash generated form operations	51,534	(82,650)
Interest income received	1,780	777
Tax paid	(10,979)	(8,011)
Interest costs paid	(298)	(828)
Net cash flows from operating activities	42,037	(90,712)
INVESTING ACTIVITIES		
Acquisition of subsidiary	-	(9,633)
Advance to a related company	-	(100)
Advance to a related party	(588)	(507)
Finance income received	-	301
Interest received	392	-
Placement of maintenance reserve fund	(2,022)	(2,606)
Placement of Designated Accounts	2,521	(15,205)
Proceed from disposal of PPE	30	-
Purchase of property, plant and equipment	(47)	(212)
Purchase of right-of-use assets	(39)	-
Withdrawal/(Placement) of fixed deposits (pledged)	(1,386)	(2,893)
Net cash flows from investing activities	(1,139)	(30,855)

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

	Unaudited	Audited
	31.12.2024	31.12.2023
	RM'000	RM'000
FINANCING ACTIVITIES		
Finance cost paid	(9,556)	(23,510)
Advance from holding company	-	114
Drawdown of borrowings	-	159,389
Repayment of borrowings	(34,443)	(169,769)
Repayment of lease liabilities	(411)	(409)
Proceeds from issuance of shares pursuant to private placement and upon exercise of warrants, net of share issuance expenses	-	100,894
Interest paid for Sukuk Wakalah	(13,358)	-
Net cash flow from financing activities	<u>(57,768)</u>	<u>66,709</u>
CASH AND CASH EQUIVALENTS		
Net changes	(16,870)	(54,858)
Balance brought forward	14,360	72,710
Carried forward	<u>(2,511)</u>	<u>17,852</u>
Cash and cash equivalent comprise of:-		
Cash and bank balances	131,730	155,951
Fixed deposit with licensed bank	13,827	12,602
Bank overdraft	<u>(4,579)</u>	<u>(11,591)</u>
	140,978	156,962
Less:		
Designated Bank Account	(99,221)	(101,742)
Fixed deposit with licensed bank	(13,756)	(12,370)
Maintenance Reserve Fund	<u>(30,511)</u>	<u>(24,997)</u>
	<u>(2,511)</u>	<u>17,852</u>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

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A. EXPLANATORY NOTES PURSUANT TO MFRS 134

A1 BASIS OF PREPARATION

These interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 ("FYE 2023") and the accompanying explanatory notes attached to the interim financial statements.

The accompanying explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position, performance and cash flow of the Group since FYE 2023.

A2 SIGNIFICANT ACCOUNTING POLICIES

A2.1 Adoption of Amendments/Improvements to MFRS

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the FYE 2023.

The following new and amended standards are effective for the financial period beginning on or after 1 January 2024.

Amendments to MFRS 16	Leases – lease liability in a sale and leaseback
Amendments to MFRS 101	Presentation of Financial Statements – Non-current liabilities with covenants
Amendments to MFRS 101	Presentation of Financial Statements – Classification of liabilities current and non-current
Amendments to MFRS 107 and MFRS 7	Statement of Cash Flows and Financial Instruments: Disclosures: Supplier Finance Arrangements

The initial application of the above applicable amendments to standards are not expected to have material financial impact to the financial statements.

A3 AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the FYE 2023 was not subject to any qualification.

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A. EXPLANATORY NOTES PURSUANT TO MFRS 134

A4 SEASONAL OR CYCLICAL FACTORS

The business operations of the Group during the financial period under review have not been materially affected by any significant seasonal or cyclical factors.

A5 UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows in the current quarter under review.

A6 MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates in the current quarter and period under review.

A7 DEBTS AND EQUITY SECURITIES

On 29 March 2024, the Group paid RM25 million, being second Sukuk Wakalah annual principal payment.

Other than the above, there is no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the period under review.

A8 DIVIDEND

There were no dividends declared or paid in the current quarter and period under review.

A9 SEGMENTAL REPORTING

Primary reporting basis by business segments:

<u>Current Quarter</u>	<u>Current Quarter</u>			<u>Year-to-date</u>		
	<u>Construction</u>	<u>Facility Management</u>	<u>Total</u>	<u>Construction</u>	<u>Facility Management</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	50,184	9,901	60,085	101,045	36,691	137,736
Segment results;						
Finance income #	-	-	6,901	-	-	27,788
Finance costs	-	-	(6,503)	-	-	(24,430)
Depreciation	-	-	(783)	-	-	(3,547)
Taxation	-	-	(2,318)	-	-	(5,350)
Loss after tax	-	-	(14,470)	-	-	(23,900)

Includes lease rental under concession business

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A. EXPLANATORY NOTES PURSUANT TO MFRS 134

A10 CARRYING AMOUNT OF REVALUED ASSET

The Group does not perform any valuation of property, plant and equipment during the quarter and financial year-to-date.

A11 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

There were no material events subsequent to the end of the current quarter that have not been reflected in the interim financial statement.

A12 EFFECT OF CHANGES IN THE GROUP COMPOSITION, LONG TERM INVESTMENTS, RESTRUCTURING AND DISCONTINUED OPERATIONS

There was no change to the composition of the Group during the quarter under review.

A13 CONTINGENT LIABILITIES / ASSETS

There were no contingent liabilities / assets as at the end of the current quarter under review.

A14 CAPITAL COMMITMENT

There were no capital commitments as at the end of the current quarter under review.

A15 SIGNIFICANT RELATED PARTY TRANSACTION

There were no related party transactions as at the end of the current quarter under review.

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1 REVIEW OF PERFORMANCE****4Q2024 vs 4Q2023**

For the financial quarter ended 31 December 2024 (“4Q2024”), the Group recorded a revenue of RM60.09 million, lower by 25.23% compared to RM80.35 million achieved in financial quarter ended 31 December 2023 (“4Q2023”). For the financial year ending 31 December 2024 (“FYE2024”), revenue reduced 40.27% against financial year ending 31 December 2023 (“FYE2023”). Construction segment contributed to total revenue was 83.53% in 4Q2024 and 73.36% for FYE2024. IFM sales for 4Q2024 and FYE2024 was higher by 22.65% and 47.70% respectively against same period preceding year.

On the back of the revenue, the Group achieved gross profit margin of 11.71% in 4Q2024 (4Q2023: 1.72%) and 12.25% for FYE2024 (FYE2023: 7.13%). The significant improvement was largely attributable to stabilization of raw material prices during the year under review and marked improvement in IFM revenue.

For the 4Q2024 and FYE2024, the Group recorded loss before tax of RM12.15 million (4Q2023: 9.63 million) and RM18.55 million (FYE2023: 14.00 million) respectively. The loss before tax was significantly impacted by loss on disposal of asset held for sale of RM3.97 million and impairment losses on financial asset amounting RM5.80 million. Without the two items mentioned, the Group has successfully reduced its operating loss during the year.

Tax expense for the year under review was higher due mainly to additional tax imposed on concession businesses.

4Q2024 vs 3Q2024

The Group’s revenue during 4Q2024 increased 109.63% against previous financial quarter (“3Q2024”). Both construction and IFM segments recorded higher revenue against preceding quarter. The construction segment contributed 83.53% (4Q2023: 73.75%) of the Group’s revenue.

Gross profit margin for 4Q2024 improved to 11.71% from 9.19% in 3Q2024. Together with increased in revenue, the Group achieved gross profit of RM7.03 million in 4Q2024, an increase of 167.15% against 3Q2024.

However, the Group recorded higher loss during the quarter under review due mainly to loss on disposal of asset held for sale and impairment of receivables totaling RM9.77 million and higher tax expense of RM2.32 million.

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B2 COMMENTARY ON PROSPECTS

For FYE 2024, excluding the loss on disposal and impairment loss, the Group has successfully reduced its operational losses mainly attributable to continuous improvement in efficiencies and cost reduction initiatives. These actions will be continued into financial year 2025. In addition to the above, the Group is also identifying and disposing non-productive assets to further reduce expenses and improve cashflow.

The Group's earnings visibility in the ensuing financial year 2025 are sustainable with the present outstanding orderbook of RM1.47 billion, comprising RM0.66 billion for construction and RM0.81 billion for IFM business segment. The construction projects will be completed with next two years while IFM projects runs between next two to fifteen years.

The construction sector remains resilient as it is forecasted to register a growth of 9.4% in 2025, largely driven by acceleration of strategic infrastructure projects. The Group continues to bid for projects rolled-out by the government.

Barring any unforeseen circumstances, the Board of Directors is cautiously optimistic about the prospects of the Group for the financial year ending 31 December 2025.

B3 VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

There were no profit forecast or profit guarantees released to the public.

B4 TAXATION

Malaysian income tax is calculated at the statutory rate of 24% of the estimated assessable profits for the financial year. The effective tax rate for the current year to date was higher than the statutory tax rate mainly due to expenses not deductible for tax purposes.

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B5 STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED****1. PROPOSED PRIVATE PLACEMENT**

On 5 August 2024, M & A Securities Sdn Bhd (“M&A Securities”), on behalf of the Board announced that the Company proposes to undertake a private placement of up to 10% of the issued shares of the Company. Subsequently, M&A Securities announced that the listing application to Bursa Securities in relation to the Proposed Private Placement has been submitted on 30 August 2024.

On 20 September 2024, on behalf of the Board, M & A Securities announced that Bursa Securities had, vide its letter dated 20 September 2024 (“**Approval Letter**”), approved the listing and quotation of up to 309,645,300 new Widad Shares representing not more than 10.00% of the issued shares of the Company pursuant to the Proposed Private Placement subject to the following conditions:

1. Widad and M & A Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Private Placement;
2. Widad and M & A Securities to inform Bursa Securities upon the completion of the Proposed Private Placement;
3. Widad to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed;
4. M & A Securities to furnish Bursa Securities with details of the placees as per Rule 6.16 of the Listing Requirements for its review, prior to the issuance/allotment of the Placement Shares; and
5. Widad is required to make quarterly updates via Bursa LINK (simultaneous with the submission of Quarterly Report and in the form of General Announcement for PLC) on the following:
 - (a) The status on each of the event, project or purpose for which the total proceeds raised from the Proposed Private Placement are utilised for, including but not limited to, the percentages of completion of projects / initiatives;
 - (b) Where relevant, details on where the balance of proceeds raised is being placed (pending utilisation). If it is parked with asset management company / fund manager, to disclose the name of the asset management company / fund manager; and
 - (c) The summary of Placement Shares issued and allotted as follows:
 - (i) Date of price fixing and issuance date of Placement Shares (for each tranche);
 - (ii) Quantity of Placement Shares issued and allotted (for each tranche);
 - (iii) Issue price and basis in arriving at (for each tranche); and
 - (iv) Aggregate number of placement shares issued and allotted as at the end of each quarter.


B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
B5 STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED (CONT'D)

To date Widad has issued 24,700,000 at a price of RM0.0405 per Placement Shares. The Company is in the midst of securing potential investors for the implementation of the balance of 284,945,300 placement shares.

2. PROPOSED ACQUISITION OF LAND

On 11 September 2024, the Board of Directors of Widad announced that the Company has entered into a Head of Agreement (“HOA”) with Guper Bonded Warehouse Sdn. Bhd. (“the Vendor”) in relation to the acquisition of five (5) adjoining parcels of vacant industrial land measuring approximately 56,231 square metres in aggregate held under respective freehold individual titles (“Land”) being stipulated under Appendix I of the HOA (“Proposed Acquisition”) at the purchase price to be determined later by Widad and the Vendor (hereinafter referred to as the “Purchase Price”), upon the terms and conditions contained in the HOA and subject to the terms and conditions as may be determined in the sale purchase agreement (“SPA”) (hereinafter referred to as the “Proposed Sale and Purchase”).

As at the date of this report, valuation of the Land has been completed while terms and conditions of the SPA is being finalised.

B6 GROUP BORROWINGS

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Term Loan	47,229	-	47,229
Revolving credit	9,869	4,579	14,448
Sukuk Wakalah	360,955	-	360,955
	<u>418,053</u>	<u>4,579</u>	<u>422,632</u>
Total Assets			<u>1,038,198</u>
Borrowings over Total Assets;			40.71%
Repayable:			
- within one year			94,009
- within more than one year			<u>328,622</u>
			<u>422,632</u>

B7 MATERIAL LITIGATIONS

There was no pending material litigation as at the date of this report.

B8 DIVIDENDS

There were no dividends declared or paid during the quarter under review.


B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
B9 EARNINGS PER SHARE

The basic earnings per share was calculated by dividing the profit attributable to the ordinary equity holders of the Company to the weighted average number of shares issued during the period.

	QUARTER ENDED		YEAR-TO-DATE	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Loss attributable to ordinary equity holders of the Company (RM'000)	(14,470)	(9,909)	(23,900)	(16,584)
Weighted average number of ordinary shares in issue ('000)	3,096,453	2,809,075	3,096,453	2,809,075
Number of ordinary shares at 1 January				
Effect of ordinary shares issued during the financial period	-	155,241	-	155,241
Weighted average number of ordinary shares as at the financial period	3,081,983	2,954,407	3,072,553	2,947,732
Basic earnings per share (sen)	(0.47)	(0.33)	(0.77)	(0.56)

B10 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

Profit for the current quarter and year-to-date were arrived at after crediting / (charging) the following:

	QUARTER ENDED		YEAR-TO-DATE	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Finance income	762	1,186	2,172	1,470
Finance lease income	6,139	6,237	25,616	26,757
Depreciation	(783)	(1,535)	(3,547)	(3,741)
Finance costs	(6,503)	(7,812)	(24,430)	(25,760)

B11 STATUS OF UTILIZATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

Proposed utilisation	Intended timeframe	Actual proceeds raised (RM'000)	Actual utilization RM'000	Balance unutilized RM'000
Working capital requirement	Within 12 months	1,000	1,000	14,334
Estimated expenses for the proposed private placement	Immediate	38	38	512
TOTAL		962	962	14,846