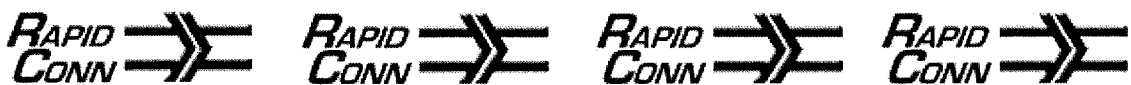




**INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED  
30 SEPTEMBER 2015**



**CONNECTCOUNTY HOLDINGS BERHAD**  
Company no. 618933-D  
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE  
THIRD QUARTER ENDED 30 SEPTEMBER 2015**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

		INDIVIDUAL QUARTER (UNAUDITED) CURRENT YEAR QUARTER 30 SEPT 2015 RM'000	(UNAUDITED) PRECEDING YEAR CORRESPONDING QUARTER 30 SEPT 2014 RM'000	CUMULATIVE QUARTER (UNAUDITED) CURRENT YEAR- TO-DATE 30 SEPT 2015 RM'000	(UNAUDITED) PRECEDING YEAR CORRESPONDING PERIOD 30 SEPT 2014 RM'000
<b>Operating revenue</b>	B1	17,719	13,277	48,018	40,988
Cost of sales		(12,507)	(10,252)	(34,208)	(29,765)
<b>Gross profit</b>		<u>5,212</u>	<u>3,025</u>	<u>13,810</u>	<u>11,223</u>
Other income		772	211	1,305	330
Administrative expense		(2,882)	(2,535)	(8,062)	(8,075)
Distribution and selling expenses		(908)	(740)	(2,418)	(2,352)
Other expenses		-	(1,015)	(32)	(1,228)
Depreciation and amortisation		(378)	(262)	(1,037)	(808)
<b>Profit from operations</b>		<u>1,816</u>	<u>(1,316)</u>	<u>3,566</u>	<u>(910)</u>
Finance costs, net		(22)	(32)	(55)	(18)
<b>Profit before tax</b>	B1	<u>1,794</u>	<u>(1,348)</u>	<u>3,511</u>	<u>(928)</u>
Taxation	B5	(117)	34	(242)	(454)
<b>Profit for the year</b>		<u>1,677</u>	<u>(1,314)</u>	<u>3,269</u>	<u>(1,382)</u>
<b>Other comprehensive income/(expenses):</b>					
Foreign currency translation		688	674	1,740	462
<b>Total comprehensive profit/(loss) for the year</b>		<u>2,365</u>	<u>(640)</u>	<u>5,009</u>	<u>(920)</u>
Profit attributable to:					
Owners of the Company		1,677	(1,216)	3,269	(1,049)
Non-controlling interest		-	(98)	-	(333)
		<u>1,677</u>	<u>(1,314)</u>	<u>3,269</u>	<u>(1,382)</u>
Total comprehensive income/(expense) attributable to:					
Owners of the Company		2,365	(542)	5,009	(587)
Non-controlling interest		-	(98)	-	(333)
		<u>2,365</u>	<u>(640)</u>	<u>5,009</u>	<u>(920)</u>
(Loss)/earning per share (sen)					
- Basic	B10 (i)	<u>0.78</u>	<u>(0.64)</u>	<u>1.55</u>	<u>(0.59)</u>
- Diluted	B10 (ii)	<u>0.63</u>	<u>N/A(*)</u>	<u>1.25</u>	<u>N/A(*)</u>

(The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial statements.)

**CONNECTCOUNTRY HOLDINGS BERHAD**  
**Company no. 618933-D**  
**(Incorporated in Malaysia)**

**INTERIM FINANCIAL STATEMENTS FOR THE**  
**THIRD QUARTER ENDED 30 SEPTEMBER 2015**

	Note	AS AT 30 SEPT 2015 (UNAUDITED) RM'000	AS AT 31 DEC 2014 (AUDITED) RM'000
<b>CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment		4,774	4,047
Deferred tax assets		77	194
		<u>4,851</u>	<u>4,241</u>
<b>Current assets</b>			
Inventories		6,146	5,613
Trade receivables		18,651	9,666
Other receivables		3,487	2,821
Cash and bank balances		4,445	4,847
		<u>32,729</u>	<u>22,947</u>
<b>TOTAL ASSETS</b>		<u>37,580</u>	<u>27,188</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		21,623	20,615
Share premium		2,171	2,171
Foreign exchange reserve		1,934	194
Accumulated losses	B12	<u>(3,774)</u>	<u>(7,043)</u>
<b>Total equity</b>		<u>21,954</u>	<u>15,937</u>
<b>Non-current liabilities</b>			
Borrowings	B7	271	267
Other payables		-	38
Deferred tax liabilities		353	40
		<u>624</u>	<u>345</u>
<b>Current liabilities</b>			
Borrowings	B7	130	61
Trade payables		12,372	7,884
Other payables		2,500	2,961
		<u>15,002</u>	<u>10,906</u>
<b>Total liabilities</b>		<u>15,626</u>	<u>11,251</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>37,580</u>	<u>27,188</u>
<b>Net Assets Per Share (RM)</b>		<u>0.10</u>	<u>0.08</u>

(The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial statements.)

CONNECTCOUNTRY HOLDINGS BERHAD  
Company no. 618933-D  
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE  
THIRD QUARTER ENDED 30 SEPTEMBER 2015

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Attributable to Equity Holders of the Parent Non-Distributable			Non- controlling interest RM'000	Total RM'000
		Share Premium RM'000	Foreign Exchange Reserve RM'000	Accumulated Losses RM'000		
<b>At 1 January 2014</b>	17,179	666	(20)	(4,366)	-	13,459
Acquisition of subsidiary				-	49	49
Total comprehensive expense for the period	-	-	462	(1,049)	(333)	(920)
Issuance of ordinary shares pursuant to: - Private placement	1,690	960	-	-	-	2,650
<b>At 30 September 2014</b>	<u>18,869</u>	<u>1,626</u>	<u>442</u>	<u>(5,415)</u>	<u>(284)</u>	<u>15,238</u>
<b>At 1 January 2015</b>	20,615	2,171	194	(7,043)	-	15,937
Total comprehensive income/(expense) for the period	-	-	1,740	3,269	-	5,009
Issuance of ordinary shares pursuant to: - Conversion of warrant shareholdings	1,008	-	-	-	-	1,008
<b>At 30 September 2015</b>	<u>21,623</u>	<u>2,171</u>	<u>1,934</u>	<u>(3,774)</u>	<u>-</u>	<u>21,954</u>

(The unaudited condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial statements.)

**CONNECTCOUNTRY HOLDINGS BERHAD**  
Company no. 618933-D  
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE  
THIRD QUARTER ENDED 30 SEPTEMBER 2015**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	(UNAUDITED) CURRENT YEAR-TO-DATE 30 SEPT 2015 RM'000	(UNAUDITED) PRECEDING YEAR CORRESPONDING CUMULATIVE PERIOD 30 SEPT 2014 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	3,511	(928)
Adjustments for:		
Depreciation	1,037	808
Goodwill written off	-	949
Interest expenses	11	16
Interest income	(2)	-
Reversal of impairment loss on other receivables	-	(508)
(Gain)/loss on disposal of plant and equipment	(32)	49
(Gain)/loss on foreign exchange unrealised	(961)	17
Operating profit before working capital changes	3,564	403
Changes in working capital:		
Inventories	(533)	1,227
Receivables	(9,651)	(2,603)
Payables	3,989	(1,150)
Cash (used in)/generated from operations	(2,631)	(2,123)
Interest paid	(11)	(16)
Tax paid	(8)	(16)
<b>Net cash (used in)/generated from operating activities</b>	<b>(2,650)</b>	<b>(2,155)</b>
<b>Cash flows from investing activities</b>		
Interest received	2	-
Proceed from disposal of plant and equipment	6	100
Purchase of plant and equipment	(1,273)	(940)
<b>Net cash used in investing activities</b>	<b>(1,265)</b>	<b>(840)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares	1,008	2,729
Proceeds from short term loan	-	660
Repayment of hire purchase	(73)	(12)
Repayment of short term borrowings	-	(264)
<b>Net cash generated from financing activities</b>	<b>935</b>	<b>3,113</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,980)</b>	<b>118</b>
<b>Effects of exchange rate changes</b>	<b>2,578</b>	<b>35</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>4,847</b>	<b>3,095</b>
<b>Cash and cash equivalents at end of the financial year</b>	<b>4,445</b>	<b>3,248</b>
<b>Cash and cash equivalents are represented by</b>		
Cash and at bank balances	4,445	3,248
	<b>4,445</b>	<b>3,248</b>

(The unaudited condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to this interim financial statements.)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30  
SEPTEMBER 2015**

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**PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING  
STANDARDS (“MFRS”) 134 ON INTERIM FINANCIAL REPORTING**

**A1 BASIS OF PREPARATION**

The interim financial statements are unaudited and have been prepared in accordance with the requirement of MFRS134: Interim Financial Reporting and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

**A2 SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted as disclosed in the Group’s annual audited financial statements for the year ended 31 December 2014.

The Group has adopted the new and revised Malaysian Financial Reporting Standards (“**MFRSs**”) and IC Interpretations that became mandatory for the current reporting period. The adoption of these new and revised MFRSs and IC Interpretations does not result in significant changes in the accounting policies of the Group.

**A3 AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS**

There were no audit qualification on the financial statements of the Company and its subsidiaries for the financial year ended 31 December 2014 other than an audit emphasis of matter by the independent auditor as follows:

Rapid Conn Interconnect (M) Sdn. Bhd.'s and Borderless Fame Sdn. Bhd.'s respective auditors' report contain the audit emphasis of matter relating to the appropriateness of going concern basis of accounting is dependent on financial support from its Holding Company and its fellow subsidiaries.

**A4 SEASONALITY OR CYCLICALITY OF OPERATIONS**

The business of the Group is such that some of its products, particularly those relating to digital equipment are subjected to seasonal variations. Demand for these products tends to increase in the second half of the year. However, it is pertinent to note that the demand of the Group's products are also dependent on the actual overall global economic environment; and the turnaround time of product delivery. Further explanation notes are disclosed in Note B1.

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

During the current quarter under review, there were no items or events that arose, which affected the assets, liabilities, equity, net income or cash flows that are unusual by reasons of their nature, size or incidence.

**A6 MATERIAL CHANGES IN ESTIMATES**

There were no material changes in estimates that have had effect on the current financial period under review.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

**PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARDS (“MFRS”) 134 ON INTERIM FINANCIAL REPORTING (CONT’D)**

**A7 ISSUANCE, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENT OF DEBT AND EQUITY SECURITIES**

**Exercise of Warrants 2011/2021**

During the current year to date, the Company has issued 10.5mil new ordinary shares of RM0.10 each for cash at RM0.10 each pursuant to the exercise of Warrants 2011/2021 and the total cash proceeds arising from the exercise of Warrants amounted to RM1.05mil. The details of the Warrants exercised during the current year to date are as follows:

<b>Batch No.</b>	<b>Allotment Date</b>	<b>No. of CCHB Warrant Converted ('000)</b>	<b>Balance of Outstanding Warrants ('000)</b>
			60,847
1	02.06.2015	760	60,087
2	09.06.2015	2,259	57,828
3	16.06.2015	3,040	54,788
4	23.06.2015	530	54,258
5	01.07.2015	2,876	51,382
6	10.07.2015	551	50,831
7	30.09.2015	60	50,771
8	15.10.2015	330	50,441
9	23.10.2015	50	50,391
		<b>10,456</b>	

As a result of the exercise of the Warrants mentioned above, the total number of issued and paid up shares of RM0.10 each of the Company has increased from 206,151,400 shares to 216,607,200 shares. The new ordinary shares issued arising from the exercise of Warrants shall rank pari passu in all respect with the existing ordinary shares of the Company, save and except that the new shares shall not be entitled to any dividends, rights, allotments and/or distributions, unless the exercise of Warrant is effected before the book closure of the share registers for determination of the entitlement to such rights or distributions.

**A8 VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

There was no revaluation on any of the Group’s property, plant and equipment during the current quarter under review. The valuation of property, plant and equipment have been brought forward, without amendment from the previous audited financial statements.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30  
SEPTEMBER 2015**

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**PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING  
STANDARDS (“MFRS”) 134 ON INTERIM FINANCIAL REPORTING (CONT’D)**

**A9 DIVIDENDS**

There was no dividend declared or paid during the current quarter under review.

**A10 SEGMENTAL INFORMATION**

**(i) Business Segments**

Business segment information is not presented as the Group is mainly engaged in one business segment which is the design, development, manufacture and sale of customised, value-added and industry-standard cables, connectors and related products, assembly and sub-assembly of electronic components.

The segmental analysis as reviewed by management is based on the geographical segments as shown below:-



NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARDS ("MFRS") 134 ON INTERIM FINANCIAL REPORTING (CONT'D)

A10 SEGMENTAL INFORMATION (CONT'D)

(ii) Geographical Segments

	Malaysia RM'000	China RM'000	Singapore RM'000	USA RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
<b>30 Sept 2015</b>							
<b>REVENUE AND EXPENSES</b>							
<b>REVENUE</b>							
External sales	-	30,177	16,055	24,759	70,991	(22,973)	48,018
<b>RESULTS</b>							
Segments results	(277)	1,115	1,175	1,553	3,566	-	3,566
Finance cost, net	-	(15)	(24)	(16)	(55)	-	(55)
Profit before tax	(277)	1,100	1,151	1,537	3,511	-	3,511
Taxation	-	-	-	(279)	(279)	37	(242)
Net profit attributable to	(277)	1,100	1,151	1,258	3,232	37	3,269
<b>ASSETS AND LIABILITIES</b>							
<b>Segment assets</b>							
Consolidated total assets	11,828	19,056	6,214	11,709	48,807	(11,227)	37,580
<b>Segment liabilities</b>							
Consolidated total liabilities	6,148	15,600	2,271	6,058	30,077	(14,451)	15,626
<b>OTHER INFORMATION</b>							
Depreciation	8	743	246	40	1,037	-	1,037
Capital expenditure	-	1,248	12	13	1,273	-	1,273

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARDS ("MFRS") 134 ON INTERIM FINANCIAL REPORTING (CONT'D)

A10 SEGMENTAL INFORMATION (CONT'D)

(ii) Geographical Segments	Malaysia	China	Singapore	USA	Total	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>30 Sept 2014</b>							
<b>REVENUE AND EXPENSES</b>							
REVENUE	744	23,688	9,064	24,568	58,064	(17,076)	40,988
External sales							
<b>RESULTS</b>							
Segments results	(3,166)	135	(319)	2,589	(761)	(149)	(910)
Finance cost, net	-	27	(29)	(16)	(18)	-	(18)
Profit before tax	(3,166)	162	(348)	2,573	(779)	(149)	(928)
Taxation	-	-	-	(454)	(454)	-	(454)
Net profit attributable to	(3,166)	162	(348)	2,119	(1,233)	(149)	(1,382)
<b>ASSETS AND LIABILITIES</b>							
Segment assets	10,015	11,215	4,102	9,103	34,435	(8,916)	25,519
Consolidated total assets							
Segment liabilities	5,863	9,552	1,997	4,938	22,350	(12,069)	10,281
Consolidated total liabilities							
<b>OTHER INFORMATION</b>							
Depreciation	33	533	206	36	808	-	808
Capital expenditure	282	457	101	100	940	-	940

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

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**PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARDS (“MFRS”) 134 ON INTERIM FINANCIAL REPORTING (CONT’D)**

**A11 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM REPORTING PERIOD**

Save as disclosed below, there were no material events subsequent to the current quarter ended 30 September 2015 up to the date of this report:

On 1 April 2015, the Company entered into a share sale agreement with a third party for the proposed acquisition of Kejuruteraan Asastera Sdn. Bhd. (“**KASB**”), a private limited company, for a purchase consideration of RM25,000,000 to be satisfied by cash amounting to RM12,500,000 and issuance of 250,000,000 new irredeemable convertible preference shares (“**ICPS**”) at an issue price of RM0.05 per ICPS amounting to RM12,500,000. KASB specialises in the provision of electrical and mechanical engineering services within the construction industry.

The acquisition was approved by the Board, which is subjected to the outcome of a due diligence. The Company has set up a due diligence working group specifically for this exercise. The entire exercise is expected to be completed in the third quarter of this year, and if successful, will result in the Group expanding its core business to include electrical, mechanical and telecommunicating engineering contracting.

On the 4 of September 2015, the Company has announced that, CCHB and KASB have mutually agreed to terminate the Proposed Acquisition with no further claims being made from both parties.

**A12 CHANGES IN THE COMPOSITION OF THE GROUP**

During the financial year-to-date, the following changes in the composition of the Group were effected:-

**(1) Formation of a new majority-owned sub-subsidiary, i.e. HS Co. Ltd. in China**

Rapid Conn (Shenzhen) Co Ltd, (“**RCC**”), a wholly-owned subsidiary of the Company has entered into an agreement with Mr. Zhou Jian, a Chinese national, to form a new private limited company, HS Co. Ltd. (“**HSC**”), in Shenzhen, China. The new company was incorporated in 12 February 2015 and has a subscription share capital of RenMinBi (“**RMB**”) 5,000,000 (equivalent to RM2,986,500).

RCC is the majority shareholder of the HS by way of a cash injection of RMB3,000,000/-, equivalent to a 60%-stake in the capital of HS, while Mr. Zhou shall inject RMB2,000,000/-, equivalent to the remaining 40%-stake in the capital of HS.

**(2) Injection of capital into HS Co. Ltd.**

On 4 March 2015 (Reference no. CS-150226-54615) and 30 March 2015 (Reference no. CS-150305-40878), the Board of Directors of the Company has on 4 August 2015 been notified that HS Co., Ltd. a new majority-owned subsidiary in China, under the wholly-owned subsidiary of the Company, Rapid Conn (Shenzhen) Co., Ltd (“**RCC**”) had on 2 July 2015 increased its subscription share capital from RenMinBi (“**RMB**”) 5,000,000 comprising 5,000,000 subscription shares of RMB1/- each to RMB7,500,000 comprising 7,500,000 subscription shares of RMB1/- each.

The shareholding structure of HS Co. Ltd. shall be as follows:

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

**PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARDS (“MFRS”) 134 ON INTERIM FINANCIAL REPORTING (CONT’D)**

**A12 CHANGES IN THE COMPOSITION OF THE GROUP (CONT’D)**

Shareholders	Before		After	
	No. of Subscription Shares @ RMB1/- share	Percentage of Issued and Paid-up Capital (%)	No. of Subscription Shares @ RMB1/- share	Percentage of Issued and Paid-Up Capital (%)
RCC	3,000,000	60	4,500,000	60
Zhou Jian	2,000,000	40	3,000,000	40
<b>Total</b>	<b>5,000,000</b>	<b>100</b>	<b>7,500,000</b>	<b>100</b>

**(3) Transfer of shares in HS Co. Ltd.**

Subsequently thereto, RCC had on 9 July 2015 transferred all its subscription shares, which is to be held in trust for and on behalf of RCC, to Mr. Liu ZhengHua, a Chinese national (of Long San Road, 6th Lane, Luo Tian Social District, Song Gang Street, Bao An District, Shenzhen 518105, China), who is the legal representative of HSC.

Consequently, the current shareholding structure of HS Co., Ltd. shall be as follows:-

Shareholders	No. of Subscription Shares @ RMB1/- per Share	Percentage of Issued and Paid-Up Capital (%)
Liu ZhengHua	4,500,000	60
Zhou Jian	3,000,000	40
<b>Total</b>	<b>7,500,000</b>	<b>100</b>

**(4) Change of Name of HS Co. Ltd. to Rapid Power (Shen Zhen) Co. Ltd.**

With effect from 20 July 2015, the State Administration of Industry and Commerce (“SAIC”) of the People’s Republic of China has approved the change of name of HS Co. Ltd. to Rapid Power (Shen Zhen) Co. Ltd. as well as the grant of Foreigner Invested Commercial Enterprises (“FICE”) status to the said company.

**(5) Transfer of shares in Rapid Power (Shen Zhen) Co. Ltd. (formerly known as HS Co. Ltd)**

With effect from 20 July 2015, Rapid Power (Shenzhen) Co. Ltd. (formerly known as HS. Co. Ltd.) has become a wholly-owned subsidiary of RCC, which in turn is a wholly-owned subsidiary of the Company.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

**PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARDS (“MFRS”) 134 ON INTERIM FINANCIAL REPORTING (CONT’D)**

**A12 CHANGES IN THE COMPOSITION OF THE GROUP (CONT’D)**

Before			After		
Shareholders	No. of Subscription Shares @ RMB1/- per Share	Percentage of Issued and Paid-Up Capital (%)	Shareholders	No. of Subscription Shares @ RMB1/- per Share	Percentage of Issued and Paid-Up Capital (%)
Liu ZhengHua	4,500,000	60	RCC	7,500,000	100
Zhou Jian	3,000,000	40	-	-	-
<b>Total</b>	<b>7,500,000</b>	<b>100</b>	<b>Total</b>	<b>7,500,000</b>	<b>100</b>

**A13 CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

There were no contingent liabilities or contingent assets since the last audited financial report and up to the date of this report.

**A14 CAPITAL COMMITMENTS**

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

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**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET**

**B1 REVIEW OF PERFORMANCE**

The Group's overall performance has improved as it has recorded a higher revenue in the period ended 30 Sept 2015 as compared to the corresponding period ended 30 Sept 2014.

For the current financial period ended 30 Sept 2015, the Group's revenue and profit before tax were RM48.0million and RM3.5million respectively, compared to its preceding year's corresponding period's revenue of RM41.0million and loss before tax of RM0.9million.

The Group recorded a higher margin of 29% in the period ended 30 Sept 2015, if compared to 27% for the period ended 30 Sept 2014. This was due to the overall improvement in variable costs, which was due to our efforts in diversifying into higher margin products as well as our control over input costs.

Other income mainly consists of an overall gain on unrealised foreign exchange, a gain on disposal of a motor vehicle, scrap sales, and rental income. The increased in other income in both the quarter and the period under review was mainly due to the appreciation of the United States Dollar (“USD”) against the Ringgit Malaysia (“RM”).

Other expenses consist mainly of fixed assets written off and realised loss on foreign exchange.

**B2 COMPARISON WITH PRECEDING QUARTER'S RESULTS**

For the current quarter under review, the Group recorded a revenue of RM17.7million and a profit before tax of RM1.8million as compared to the revenue and profit before tax at RM15.9million and RM0.8million respectively for the preceding quarter. The Group recorded an increase in revenue of approximately 11% in the current quarter compared to the preceding quarter.

The Group recorded a margin of 29% in the current quarter as compared to 27% in the preceding quarter. The margin of the group has increased by 2% if compared to the preceding quarter, which was mainly due to the increased in orders for higher margin products.

The Group recorded an unrealised forex gain of RM0.7million for the current quarter, compared to unrealised profit of RM0.1million in the preceding quarter. Notwithstanding the above, the Group recorded a realised forex gain of RM15 thousand in the current quarter, as compared to realised forex loss of RM22 thousand for the preceding quarter, which was mainly due to the appreciation of the USD against the RM.

**B3 PROSPECTS FOR THE FINANCIAL YEAR 2015**

Due to the escalating labour costs and the competitive nature of the labour market in Shenzhen, China where our plant (Rapid Conn Shenzhen) is located, we are continuously looking into ways in which we can reduce our manufacturing and fixed costs to enable us to absorb or mitigate increases in labour costs. This in turn will also help increase our profitability and make us more price competitive, which will help the Group meet its strategic objectives with regards to market penetration and market diversification (industry-wise). Currently, we are also looking into new areas of our entire manufacturing process in which automation can be implemented which will not only reduce costs, but also improve overall space utilisation.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET (CONT'D)**

**B3 PROSPECTS FOR THE FINANCIAL YEAR 2015 (CONT'D)**

According to a survey conducted by ABI Research, global revenues for mobile accessories will reach US\$1.5 billion this year, and it is forecasted that this market segment will grow to about US\$5 billion next year, and will continue to grow to US\$10.1 billion in 2020 at a compound annual growth rate (CAGR) of 4.3%. Additionally, a new wave of wearable technology is hitting the mobile device market, in that a wide variety of connected devices are being designed and developed specifically for the global consumer market.

The Group intends to capitalise on this trend and is already implementing strategies to further enhance its presence in the smart connected devices industry, to enable further penetration into both the wearables and mobile accessories markets. This will be part of the Group's business expansion initiatives which includes expanding its market share in lucrative markets like automotive and white goods.

**B4 VARIANCE OF FORECAST AND PROFIT GUARANTEE**

The Group did not issue any profit forecast or profit guarantee and thus this is not applicable to the Group.

**B5 TAXATION**

	Individual Quarter		Cumulative Quarter	
	Quarter Ended 30 Sept 2015 RM'000	Quarter Ended 30 Sept 2014 RM'000	Quarter Ended 30 Sept 2015 RM'000	Quarter Ended 30 Sept 2014 RM'000
Current taxation:				
Domestic	-	-	-	-
Foreign tax	-	11	-	16
	-	11	-	16
Under provision in prior period:				
Domestic	-	-	-	-
Foreign tax	3	-	8	-
	3	-	8	-
Deferred taxation	114	(45)	234	438
	<b>117</b>	<b>(34)</b>	<b>242</b>	<b>454</b>

No provision of taxation was provided for the current quarter and for the year due to accumulated losses suffered from previous years by the subsidiaries.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET (CONT'D)**

**B6. STATUS OF CORPORATE PROPOSAL**

Save as disclosed below, there were no other corporate proposals announced but not completed as at to-date:-

**(i) Rights Issue of ICPS**

On 19 October 2015, M&A Securities Sdn Bhd (“M&A Securities”), has on behalf of the Board of Directors of the Company (“Board”), announced that the Company proposed to undertake the following:

1. Proposed rights issue of up to 800,994,000 new irredeemable convertible preference shares (“ICPS”) at an issue price of RM0.025 per ICPS on the basis of three (3) ICPS for every one (1) existing ordinary share of RM0.10 each held in CONNECT (“CONNECT Share” or “Share”) at an entitlement date to be determined later (“Entitlement Date”) together with up to 53,399,600 free detachable warrants (“Warrant(s)-B”) on the basis of one (1) free Warrant-B for every fifteen (15) ICPS subscribed (“Proposed Rights Issue of ICPS”);
2. Proposed increase in the authorised share capital of the Company in order to facilitate the issuance of ICPS and new Shares arising from the conversion thereof (“Proposed IASC”); and
3. Proposed amendment to the Memorandum and Articles of Association of the Company in order to facilitate the issuance of ICPS and the Proposed IASC (“Proposed Amendment”).

On 11 November 2015, M&A Securities has on behalf of the Board, announced the following amendments to the indicative salient terms of the ICPS:

<b>Terms</b>	<b>As announced on 19 October 2015</b>	<b>Amended terms</b>
Conversion Period	The ICPS may be converted at any time beginning from the day falling two (2) years after the Issue Date at the option of the ICPS holder.  Any remaining ICPS that are not converted by the expiry of the tenure of the ICPS shall be automatically converted into new CONNECT Shares.	The ICPS may be converted at any time beginning from the Issue Date at the option of the ICPS holder.  Any remaining ICPS that are not converted by the expiry of the tenure of the ICPS shall be automatically converted into new CONNECT Shares.
Conversion Price	The conversion price for the ICPS is RM0.20 for every one (1) new CONNECT Share.	The final conversion price of the ICPS shall be determined by the Board at a later date after the receipt of all relevant approvals and after taking into consideration the 5D-WAMP of CONNECT Shares immediately preceding the price fixing date.



**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET (CONT'D)**

**B6. STATUS OF CORPORATE PROPOSAL (CONT'D)**

On 17 November 2015, M&A Securities has on behalf of the Board, announced the following amendments to the indicative salient terms of the Warrants-B:

<b>Terms</b>	<b>As announced on 19 October 2015</b>	<b>Amended term</b>
Exercise Price	<p>The exercise price of the Warrant-B has been fixed by the Board at RM0.20 each.</p> <p>The exercise price and the number of outstanding Warrant-B shall be subject to the adjustments in accordance with the terms and provisions of the Deed Poll during the Exercise Period.</p>	<p>The exercise price of the Warrants-B shall be determined by the Board at a later date after the receipt of all relevant approvals and after taking into consideration the 5D-WAMP of CONNECT Shares immediately preceding the price fixing date.</p> <p>The exercise price and the number of outstanding Warrant-B shall be subject to the adjustments in accordance with the terms and provisions of the Deed Poll during the Exercise Period.</p>

**(ii) Status of Utilisation of Proceeds Raised From Private Placement**

The Company had on 20 June 2014 completed the first tranche of the Private Placement with the listing of and quotation for 16,902,900 new Connect shares on the ACE Market of Bursa Malaysia Securities Berhad ("**Placement Shares**") at an issue price of RM0.168 each.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30  
 SEPTEMBER 2015

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING  
 REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET (CONT'D)

B6 STATUS OF CORPORATE PROPOSAL (CONT'D)

(iii) Status of Utilisation of Proceeds Raised From Private Placement (Cont'd)

The Company had on 4 November 2014, fully completed the Private Placement with the listing of and quotation for the remaining 17,455,600 Placement Shares on the ACE market of Bursa Malaysia Securities Berhad at an issue price of RM0.133 each.

Following the completion of the Private Placement, the Company raised actual total gross proceed of RM5,161,282, the utilisation of which has been revised as follows:-

Description	Proposed Utilisation	Revised Utilisation	Actual Utilisation as at 30 Sept 2015	Balance	Estimated Timeframe for Utilisation of Proceeds	
	RM'000	RM'000	RM'000	RM'000		
Working capital for:						
- Increased Rapid Conn (Shenzhen) Co., Ltd (“RCC”) paid up capital	3,960	2,960	1,350	1,610	Within 6 months	***
- MyGenBizz Berhad, a 51% subsidiary of the Company (“MyGenBizz”)	1,026	900	900	-	Completed	**
- Administrative expenses of other companies (“Connect Group”)	699	1,085	1,085	-	Completed	*
- Estimated expenses in relation to the Proposed Private Placement	500	217	217	-	Completed	
<b>Total</b>	<b>6,185</b>	<b>5,162</b>	<b>3,552</b>	<b>1,610</b>		

\*\*\* Due to the difference between actual proceeds received from the private placement and proposed private placement. Therefore amendment were made in RCC paid up capital.

\*\* Repayment of advance for working capital of MyGenBizz Berhad.

\* The excess balances from MyGenBizz and estimated expenses in relation to the Proposed Private Placement are grouped under the administrative expenses.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30  
 SEPTEMBER 2015

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING  
 REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET (CONT'D)

B6 STATUS OF CORPORATE PROPOSAL (CONT'D)

(iii) Status of Utilisation of Proceeds Raised From Private Placement (Cont'd)

	Proposed RCC RM'000	Revised RCC RM'000
Purchase of raw materials such as raw cooper cables, plastics. Interjects and packaging materials	1,970	1,470
Purchase of tools and equipment such as cable assembly and moulding equipment as well as crimping machines	1,500	1,000
Production labour costs	490	490
<b>Total</b>	<b>3,960</b>	<b>2,960</b>

B7 GROUP BORROWINGS

The Group's borrowings as at 30 September 2015 are as follows:-

	Short term (Secured) RM'000	Long term (Secured) RM'000	Total RM'000
Hire purchase liabilities	130	271	401

DENOMINATED IN FOREIGN CURRENCY

	Short term (Secured) in Foreign Currency	Long term (Secured)	Short term (Secured) RM'000	Long term (Secured) RM'000
Hire purchase liabilities in USD	18	63	78	271
Hire purchase liabilities in RMB	75	-	52	-
			<b>130</b>	<b>271</b>

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET (CONT'D)**

**B8 MATERIAL LITIGATIONS**

There is no pending material litigation as at the date of this announcement.

**B9 DIVIDENDS**

The Directors did not propose any dividends as at the date of this announcement.

**B10 EARNINGS PER SHARE**

**(i) Basic Earnings Per Share**

The basic earnings per share was calculated by dividing the net profit for the current financial quarter and the current financial year to date by the weighted average number of ordinary shares in issued.

	Quarter Ended		Year to Date	
	30 Sept 2015 RM'000	30 Sept 2014 RM'000	30 Sept 2015 RM'000	30 Sept 2014 RM'000
Net profit attributable to shareholders	1,677	(1,216)	3,269	(1,049)
Weighted average number of shares – basic	216,187	188,696	210,257	179,305
<b>Basic profit per share (sen)</b>	<b>0.78</b>	<b>(0.64)</b>	<b>1.55</b>	<b>(0.59)</b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30  
 SEPTEMBER 2015

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING  
 REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET (CONT'D)

B10 EARNINGS PER SHARE (CONT'D)

(ii) Diluted Earnings Per Share

The diluted earnings per share was calculated by dividing the net profit for the current financial quarter and year to date by the weighted average number of ordinary shares based on the assumption that the Warrants issued are fully exercised and converted into ordinary shares.

	Quarter Ended		Year to Date	
	30 Sept 2015 RM'000	30 Sept 2014 RM'000	30 Sept 2015 RM'000	30 Sept 2014 RM'000
Net profit attributable to shareholders	1,677	(1,216)	3,269	(1,049)
Weighted average number of shares - basic	216,187	188,696	210,257	179,305
Add: Assuming conversion of Warrants	50,771	60,847	50,771	60,847
<b>Weighted average number of shares – diluted</b>	<b>266,958</b>	<b>249,543</b>	<b>261,028</b>	<b>240,152</b>
<b>Diluted earnings per share (sen)</b>	<b>0.63</b>	<b>(0.49)</b>	<b>1.25</b>	<b>(0.44)</b>

**Note:-**

\* The fully diluted earnings per share is not disclosed as the effects on the assumed exercised of the warrants is anti-dilutive.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET (CONT'D)**

**B11 REALISED AND UNREALISED PROFITS / (LOSSES) DISCLOSURE**

The accumulated losses of the Group may be analysed as follows:-

	As at 30 Sept 2015 RM'000	(Unaudited) As at 30 Sept 2014 RM'000
Total accumulated losses of the Group:		
- Realised	(4,735)	(5,398)
- Unrealised	961	(17)
	<u>(3,774)</u>	<u>(5,415)</u>
Less: Consolidated adjustments	-	-
<b>Accumulated losses as per financial statements</b>	<b><u>(3,774)</u></b>	<b><u>(5,415)</u></b>

**B12 NOTE TO THE STATEMENT OF COMPREHENSIVE INCOME**

	Quarter Ended		Year to Date	
	30 Sept 2015 RM'000	30 Sept 2014 RM'000	30 Sept 2015 RM'000	30 Sept 2014 RM'000
Depreciation of property, plant and equipment	378	262	1,037	808
Goodwill written off	-	949	-	949
Interest expense	5	12	11	16
Interest income	-	-	2	-
(Gain)/loss in foreign exchange – unrealised	(658)	(40)	(961)	17
(Gain)/loss on disposal of property, plant and equipment	-	49	-	49
Reversal of impairment loss on receivables	-	508	-	508