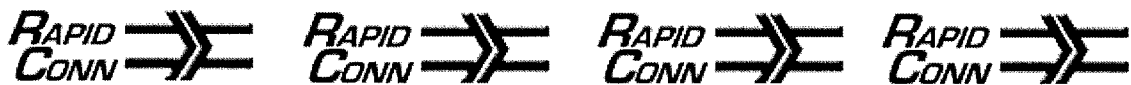




**INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED
31 MARCH 2016**



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

**INTERIM FINANCIAL STATEMENTS FOR THE
FIRST QUARTER ENDED 31 MARCH 2016**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		(UNAUDITED) CURRENT YEAR QUARTER 31 MAR 2016 RM'000	(UNAUDITED) PRECEDING YEAR CORRESPONDING QUARTER 31 MAR 2015 RM'000	(UNAUDITED) CURRENT YEAR- TO-DATE 31 MAR 2016 RM'000	(UNAUDITED) PRECEDING YEAR CORRESPONDING PERIOD 31 MAR 2015 RM'000
Operating revenue	B1	17,983	14,401	17,983	14,401
Cost of sales		(13,684)	(10,134)	(13,684)	(10,134)
Gross profit		<u>4,299</u>	<u>4,267</u>	<u>4,299</u>	<u>4,267</u>
Other income		452	324	452	324
Administrative expense		(2,533)	(2,568)	(2,533)	(2,568)
Distribution and selling expenses		(964)	(722)	(964)	(722)
Other expenses		(61)	(25)	(61)	(25)
Depreciation and amortisation		(365)	(318)	(365)	(318)
Profit from operations		<u>828</u>	<u>958</u>	<u>828</u>	<u>958</u>
Finance costs, net		(28)	(19)	(28)	(19)
Profit before tax	B1	<u>800</u>	<u>939</u>	<u>800</u>	<u>939</u>
Taxation	B5	(48)	(34)	(48)	(34)
Profit for the year		<u>752</u>	<u>905</u>	<u>752</u>	<u>905</u>
Other comprehensive income/(expenses):					
Foreign currency translation		<u>(2,159)</u>	<u>985</u>	<u>(2,159)</u>	<u>985</u>
Total comprehensive profit/(loss) for the year		<u>(1,407)</u>	<u>1,890</u>	<u>(1,407)</u>	<u>1,890</u>
Profit/(Loss) attributable to:					
Owners of the Company		<u>752</u>	<u>905</u>	<u>752</u>	<u>905</u>
		<u>752</u>	<u>905</u>	<u>752</u>	<u>905</u>
Total comprehensive income/(expense) attributable to:					
Owners of the Company		<u>(1,407)</u>	<u>1,890</u>	<u>(1,407)</u>	<u>1,890</u>
		<u>(1,407)</u>	<u>1,890</u>	<u>(1,407)</u>	<u>1,890</u>
Earning per share (sen)					
- Basic	B10 (i)	<u>0.35</u>	<u>0.44</u>	<u>0.35</u>	<u>0.44</u>
- Diluted	B10 (ii)	<u>0.28</u>	<u>0.34</u>	<u>0.28</u>	<u>0.34</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 2015 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
FIRST QUARTER ENDED 31 MARCH 2016

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
	Note	AS AT 31 MARCH 2016 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2015 (AUDITED) RM'000
ASSETS			
Non-current assets			
Plant and equipment		3,860	4,840
Deferred tax assets		9	49
		<u>3,869</u>	<u>4,889</u>
Current assets			
Inventories		7,377	7,549
Trade receivables		18,987	17,185
Other receivables		2,827	2,525
Cash and bank balances		3,355	4,859
		<u>32,546</u>	<u>32,118</u>
TOTAL ASSETS		<u>36,415</u>	<u>37,007</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		21,661	21,661
Share premium		2,070	2,070
Foreign exchange reserve		(680)	1,479
Accumulated losses	B11	(3,599)	(4,351)
Total equity		<u>19,452</u>	<u>20,859</u>
Non-current liabilities			
Borrowings	B7	206	252
Other payables		37	28
Deferred tax liabilities		-	-
		<u>243</u>	<u>280</u>
Current liabilities			
Borrowings	B7	79	79
Trade payables		14,983	12,416
Other payables		1,658	3,373
		<u>16,720</u>	<u>15,868</u>
Total liabilities		<u>16,963</u>	<u>16,148</u>
TOTAL EQUITY AND LIABILITIES		<u>36,415</u>	<u>37,007</u>
Net Assets Per Share (RM)		<u>0.09</u>	<u>0.10</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 2015 and the accompanying explanatory notes attached to this interim financial statements.)

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

INTERIM FINANCIAL STATEMENTS FOR THE
FIRST QUARTER ENDED 31 MARCH 2016

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to Equity Holders of the Parent →				→
	Share Capital RM'000	Share Premium RM'000	Non-Distributable Foreign Exchange Reserve RM'000	Accumulated Losses RM'000	
At 1 January 2015	20,615	2,171	194	(7,043)	15,937
Profit for the period	-	-	-	905	905
Other comprehensive income/(expense) for the period	-	(103)	985	-	882
At 31 March 2015	<u>20,615</u>	<u>2,068</u>	<u>1,179</u>	<u>(6,138)</u>	<u>17,724</u>
At 1 January 2016	21,661	2,070	1,479	(4,351)	20,859
Profit for the period	-	-	-	752	752
Other comprehensive expense for the period	-	-	(2,159)	-	(2,159)
At 31 March 2016	<u>21,661</u>	<u>2,070</u>	<u>(680)</u>	<u>(3,599)</u>	<u>19,452</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 2015 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
FIRST QUARTER ENDED 31 MARCH 2016

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(UNAUDITED) CURRENT YEAR-TO-DATE 31 MAR 2016 RM'000	(UNAUDITED) PRECEDING YEAR CORRESPONDING CUMULATIVE PERIOD 31 MAR 2015 RM'000
Cash flows from operating activities		
Profit before tax	800	939
Adjustments for:		
Deferred taxes	-	22
Depreciation of plant and equipment	365	318
(Gain)/loss on foreign exchange - unrealised	(215)	(169)
Interest expenses	3	4
Interest income	(1)	-
Plant and equipment written off	52	-
Operating profit before working capital changes	1,004	1,114
Changes in working capital:		
Inventories	172	723
Receivables	(2,104)	(4,614)
Payables	861	896
Cash used in operations	(67)	(1,881)
Interest paid	(3)	(4)
Tax paid	(7)	(4)
Net cash used in operating activities	(77)	(1,889)
Cash flows from investing activities		
Interest received	1	-
Proceeds from disposal of plant and equipment	10	-
Purchase of plant and equipment	(84)	(246)
Net cash used in investing activities	(73)	(246)
Cash flows from financing activities		
Private placement expenses	-	(104)
Repayment of hire purchase	(17)	(56)
Net cash used in financing activities	(17)	(160)
Net decrease in cash and cash equivalents	(167)	(2,295)
Effects of exchange rate changes	(1,337)	1,493
Cash and cash equivalents at beginning of the financial period	4,859	4,847
Cash and cash equivalents at end of the financial period	3,355	4,045
Cash and cash equivalents are represented by		
Cash and at bank balances	3,355	4,045
	<u>3,355</u>	<u>4,045</u>

(The unaudited condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial statements.)

CONNECTCOUNTY HOLDINGS BERHAD (“Connect” or the “Company”)
Company No. 618933-D
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED
31 MARCH 2016

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 March 2016.

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 was no audit qualification on the respective financial statements of the Company and its subsidiaries for the financial year ended 31 March 2016 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.

**CONNECTCOUNTY HOLDINGS BERHAD (“Connect” or the “Company”)
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED
31 MARCH 2016**

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 10.5million 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 RM1.05million. The details of the Warrants exercised during the current year to date are as follows:

Batch No.	Allotment Date	No. of CCHB Warrant Converted ('000)	Balance of Outstanding Warrants ('000)
			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
		10,456	

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 has been brought forward, without amendment from the previous audited financial statements.

**CONNECTCOUNTY HOLDINGS BERHAD (“Connect” or the “Company”)
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(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED
31 MARCH 2016**

**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:-

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CONNECTCOUNTRY HOLDINGS BERHAD (“Connect” or the “Company”)
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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED
31 MARCH 2016

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
31 Mar 2016							
REVENUE AND EXPENSES							
REVENUE							
External sales	-	12,232	4,393	7,864	24,489	(6,506)	17,983
RESULTS							
Segments results	(70)	388	298	211	827	-	827
Finance cost, net	-	(13)	(8)	(6)	(27)	-	(27)
Profit before tax	(70)	375	290	205	800	-	800
Taxation	-	-	-	(48)	(48)	-	(48)
Net profit attributable to owners of the Company	(70)	375	290	157	752	-	752
ASSETS AND LIABILITIES							
Segment assets							
Consolidated total assets	10,751	22,987	8,694	9,766	52,198	(15,783)	36,415
Segment liabilities							
Consolidated total liabilities	5,799	19,522	4,253	4,730	34,304	(17,341)	16,963
OTHER INFORMATION							
Depreciation	3	246	101	15	365	-	365
Capital expenditure	9	32	-	43	84	-	84

CONNECTCOUNTRY HOLDINGS BERHAD (“Connect” or the “Company”)
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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED
31 MARCH 2016

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
31 Mar 2015							
REVENUE AND EXPENSES							
REVENUE							
External sales	-	8,224	5,185	7,693	21,102	(6,701)	14,401
RESULTS							
Segments results	(317)	372	508	395	958	-	958
Finance cost, net	-	(7)	(8)	(4)	(19)	-	(19)
Profit before tax	(317)	365	500	391	939	-	939
Taxation	-	-	-	(71)	(71)	37	(34)
Net profit attributable to owners of the Company	(317)	365	500	320	868	37	905
ASSETS AND LIABILITIES							
Segment assets							
Consolidated total assets	10,326	14,354	4,895	9,766	39,341	(9,414)	29,927
Segment liabilities							
Consolidated total liabilities	5,796	12,187	1,865	5,432	25,280	(13,077)	12,203
OTHER INFORMATION							
Depreciation	2	222	81	13	318	-	318
Capital expenditure	-	244	-	2	246	-	246

**CONNECTCOUNTY HOLDINGS BERHAD (“Connect” or the “Company”)
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED
31 MARCH 2016**

**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 in Note B6, there were no material events subsequent to the current quarter ended 31 March 2016 up to date of this report:

A12 CHANGES IN THE COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group for the current financial quarter under review.

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.

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CONNECTCOUNTY HOLDINGS BERHAD (“Connect” or the “Company”)
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED
31 MARCH 2016**

**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 31 March 2016 as compared to the corresponding period ended 31 March 2015.

For the current financial period ended 31 March 2016, the Group's revenue and profit before tax were RM18 million and RM0.8 million respectively, compared to its preceding year's corresponding period's revenue of RM14.4 million and profit before tax of RM0.94 million.

The Group recorded a lower gross profit margin in the period ended 31 March 2016 compared to the corresponding period ended 31 March 2015 despite of higher revenue achieved during the period under review. It was mainly due to higher sales of low gross profit margin products to local China market.

Other income consists of an overall gain in unrealised foreign exchange, scrap sales, government grant and rental income.

Other expenses consist mainly of donation and realised loss on foreign exchange.

B2 COMPARISON WITH PRECEDING QUARTER'S RESULTS

For the current quarter under review, the Group recorded a slight increase in revenue of RM18 million and a profit before tax of RM0.8 million as compared to the revenue and loss before tax at RM16.9 million and RM0.74 million respectively for the preceding quarter ended 31 December 2015.

The Group recorded higher gross profit margin in the current quarter compared to the preceding quarter ended 31 December 2015. 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.

The Group recorded an unrealised forex gain of RM215,000 for the current quarter, compared to the unrealised gain of RM105,000 in the preceding quarter ended 31 December 2015. Notwithstanding the above, the Group recorded a realised forex loss of RM58,000 in the current quarter, as compared to realised forex loss of RM39,000 for the preceding quarter ended 31 December 2015, which was mainly due to the appreciation of the USD against the RM.

B3 PROSPECTS FOR THE FINANCIAL YEAR 2016

According to a survey conducted by Future Market Insights (“FMI”), the global consumer electronics market, will be worth approximately USD3 trillion by 2020, while the overall wearable technology market is expected to reach USD31.27 billion by 2020, at a CAGR of 17.8% between 2015 and 2020.

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

**CONNECTCOUNTY HOLDINGS BERHAD (“Connect” or the “Company”)
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(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED
31 MARCH 2016**

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

B4 PROSPECTS FOR THE FINANCIAL YEAR 2016

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

B5 TAXATION

	Quarter Ended		Year to Date	
	31 Mar 2016 RM'000	31 Mar 2015 RM'000	31 Mar 2016 RM'000	31 Mar 2015 RM'000
Current taxation:				
Domestic	-	-	-	-
Foreign tax	(7)	-	(7)	-
	(7)	-	(7)	-
Under provision in prior period:				
Domestic	-	-	-	-
Foreign tax	-	(5)	-	(5)
	-	(5)	-	(5)
Deferred taxation	(41)	(29)	(41)	(29)
	(48)	(34)	(48)	(34)

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

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**CONNECTCOUNTY HOLDINGS BERHAD (“Connect” or the “Company”)
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED
31 MARCH 2016**

**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:-

Rights Issue of ICPS

Save as disclosed below, there were no material events subsequent to the current quarter ended 31 March 2016 up to date of this report:

On 3 March 2016, Bursa Malaysia Securities Berhad (“Bursa Securities”) has approved the following:

1. Admission to the Official List and the listing of and quotation for up to 800,994,000 new ICPS to be issued pursuant to the Proposed Rights Issue of ICPS with Warrants;
2. Listing of and quotation for up to 800,994,000 new CONNECT Shares to be issued pursuant to the conversion of the ICPS;
3. Admission to the Official List and the listing and quotation of up to 53,399,600 Warrants-B to be issued pursuant to the Proposed Rights Issue of ICPS;
4. Listing of and quotation for up to 53,399,600 new CONNECT Shares to be issued pursuant to the exercise of the Warrants-B;
5. Listing of up to 9,223,316 additional Warrants-A arising from the adjustments in accordance with provisions of the Deed Poll dated 24 June 2011, pursuant to the Proposed Rights Issue of ICPS with Warrants; and
6. Listing of up to 9,223,316 new CONNECT Shares to be issued pursuant to the exercise of the additional Warrants-A.

On 11 April 2016, the Board had resolved to fix the conversion price for the ICPS at RM0.10 per ICPS and the exercise price for the Warrants-B at RM0.10 per Warrant-B.

The conversion price of the ICPS and the exercise price of the Warrants-B of RM0.10 represents a discount of 31.93% and 19.42% to the 5D-VWAMP of CONNECT Shares up to and including 8 April 2016 (being the market day immediately preceding the date of the announcement made on 11 April 2016) of RM0.1469 and the theoretical ex-rights price of CONNECT Shares of RM0.1241, respectively.

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CONNECTCOUNTY HOLDINGS BERHAD (“Connect” or the “Company”)
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED
31 MARCH 2016**

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

B7 GROUP BORROWINGS

The Group’s borrowings as at 31 March 2016 are as follows:-

	Short term (Secured) RM’000	Long term (Secured) RM’000	Total RM’000
Hire purchase liabilities	79	206	285

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	20	53	79	206
			79	206

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	
	31 Mar 2016 RM’000	31 Mar 2015 RM’000	31 Mar 2016 RM’000	31 Mar 2015 RM’000
Net profit attributable to shareholders	752	905	752	905
Weighted average number of shares – basic	216,607	206,151	216,607	206,151
Basic profit per share (sen)	0.35	0.44	0.35	0.44

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED
31 MARCH 2016**

**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	
	31 Mar 2016 RM'000	31 Mar 2015 RM'000	31 Mar 2016 RM'000	31 Mar 2015 RM'000
Net profit attributable to shareholders	752	905	752	905
Weighted average number of shares - basic	216,607	206,151	216,607	206,151
Add: Assuming conversion of Warrants	50,391	60,847	50,391	60,847
Weighted average number of shares – diluted	266,998	266,998	266,998	266,998
Diluted earnings per share (sen)	0.28	0.34	0.28	0.34

Note:-

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

B11 REALISED AND UNREALISED (LOSSES)/PROFIT DISCLOSURE

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

	As at 31 Mar 2016 RM'000	(Unaudited) As at 31 Mar 2015 RM'000
Total accumulated losses of the Group:		
- Realised	(3,814)	(6,307)
- Unrealised	215	169
	(3,599)	(6,138)
Less: Consolidated adjustments	-	-
Accumulated losses as per financial statements	(3,599)	(6,138)

CONNECTCOUNTY HOLDINGS BERHAD (“Connect” or the “Company”)
Company No. 618933-D
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED
31 MARCH 2016**

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

B12 NOTE TO THE STATEMENT OF COMPREHENSIVE INCOME

	Quarter Ended		Year to Date	
	31 Mar 2016 RM'000	31 Mar 2015 RM'000	31 Mar 2016 RM'000	31 Mar 2015 RM'000
Depreciation	365	318	365	318
Deferred taxes	-	22	-	22
Interest expense	3	4	3	4
Interest income	(1)	-	(1)	-
(Gain)/Loss on foreign exchange – unrealised	(215)	(169)	(215)	(169)
Plant and equipment written off	52	-	52	-
