



**INTERIM FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED  
31 DECEMBER 2020**



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

INTERIM FINANCIAL STATEMENTS FOR THE  
FOURTH QUARTER ENDED 31 DECEMBER 2020

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31 DECEMBER 2020 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 DECEMBER 2019 RM'000	CURRENT YEAR TO-DATE 31 DECEMBER 2020 RM'000	PRECEDING YEAR CORRESPONDING YEAR 31 DECEMBER 2019 RM'000
<b>Continuing operations</b>					
Revenue	B1	9,649	8,588	41,222	37,721
Cost of sales		(8,250)	(6,894)	(32,725)	(30,220)
<b>Gross profit</b>		<b>1,399</b>	<b>1,694</b>	<b>8,497</b>	<b>7,501</b>
Other income		471	219	1,698	921
Administration expense		(2,891)	(1,507)	(10,445)	(7,039)
Distribution and selling expenses		(848)	(745)	(3,213)	(2,814)
Other expenses		(307)	268	(305)	(91)
<b>Loss from operations</b>		<b>(2,176)</b>	<b>(71)</b>	<b>(3,768)</b>	<b>(1,522)</b>
Finance costs, net		(33)	(54)	(250)	(318)
<b>Loss before tax</b>	B1	<b>(2,209)</b>	<b>(125)</b>	<b>(4,018)</b>	<b>(1,840)</b>
Income tax expense	R5	157	73	(320)	200
<b>Loss from continuing operations</b>		<b>(2,052)</b>	<b>(52)</b>	<b>(4,338)</b>	<b>(1,640)</b>
<b>Discontinued operations</b>					
Profit/(loss) from discontinued operations, net of tax	B10	137	(1,265)	617	(4,707)
<b>Loss for the year</b>		<b>(1,915)</b>	<b>(1,317)</b>	<b>(3,721)</b>	<b>(6,347)</b>
<b>Other comprehensive expenses</b>					
Foreign currency translation differences for foreign operation		(388)	(300)	(397)	(14)
Net change in fair value of equity value through other comprehensive income ("FVOCI")		-	(1,080)	-	(1,080)
<b>Total comprehensive expenses for the year</b>		<b>(2,303)</b>	<b>(2,697)</b>	<b>(4,118)</b>	<b>(7,441)</b>
<b>Loss attributable to:</b>					
Owners of the Company					
from continuing operations		(2,051)	(52)	(4,334)	(1,612)
from discontinued operations		137	(1,639)	620	(5,081)
Non-controlling interests		(1)	374	(7)	346
		(1,915)	(1,317)	(3,721)	(6,347)
<b>Total comprehensive expenses attributable to:</b>					
Owners of the Company					
from continuing operations		(2,414)	1,899	(4,521)	(2,798)
from discontinued operations		108	(4,962)	406	(4,990)
Non-controlling interests		(2,306)	(3,063)	(4,115)	(7,788)
		3	366	(3)	347
		(2,303)	(2,697)	(4,118)	(7,441)
<b>(Loss)/earnings per ordinary share attributable to Owners of the Company</b>					
<b>Basic (loss)/earnings per ordinary share (sen)</b>					
from continuing operations	B11 (i)	(0.40)	(0.02)	(0.97)	(0.49)
from discontinued operations	B11 (i)	0.03	(0.50)	0.14	(1.54)
		(0.37)	(0.52)	(0.83)	(2.03)
<b>Diluted loss per ordinary share (sen)</b>					
from discontinued operations	B11 (ii)	0.02	-	0.09	-

(The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 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  
FOURTH QUARTER ENDED 31 DECEMBER 2020**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	AS AT 31 DECEMBER 2020 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2019 (AUDITED) RM'000
Note		
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipment	1,159	2,749
Right-of-use assets	3,984	7,588
Deferred tax assets	403	446
Other receivables	-	3,400
	5,546	14,183
<b>Current assets</b>		
Inventories	5,576	8,012
Trade receivables	4,535	8,429
Other receivables	8,727	2,864
Short term investment	5,029	575
Tax recoverable	-	178
Deposits, cash and bank balances	15,955	9,529
	39,822	29,587
Assets classified as held for sale	B10 20,566	-
<b>Total current assets</b>	60,388	29,587
<b>TOTAL ASSETS</b>	65,934	43,770
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	63,201	32,930
Irredeemable convertible preference shares ("ICPS")	3,896	10,387
Reserve of disposal group held for sale	(314)	-
Warrants reserve	1,971	2,034
Fair value reserve	(1,080)	(1,080)
Foreign currency translation reserve	661	749
Accumulated losses	B12 (23,787)	(20,073)
<b>Equity attributable to owners of the Company</b>	44,548	24,947
Non-controlling interests	(2,037)	(2,034)
<b>TOTAL EQUITY</b>	42,511	22,913
<b>Non-current liabilities</b>		
Term loan	B7 99	-
Lease liabilities	2,277	4,255
Irredeemable convertible preference shares ("ICPS")	1,228	1,618
	3,604	5,873
<b>Current liabilities</b>		
Term loan	B7 483	-
Lease liabilities	1,753	3,540
Trade payables	2,918	7,031
Other payables	4,314	4,413
Tax payable	8	-
	9,476	14,984
Liabilities classified as held for sale	B10 10,343	-
<b>Total current liabilities</b>	19,819	14,984
<b>TOTAL LIABILITIES</b>	23,423	20,857
<b>TOTAL EQUITY AND LIABILITIES</b>	65,934	43,770
<b>Net assets per share (RM)</b>	0.07	0.07

(The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 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  
FOURTH QUARTER ENDED 31 DECEMBER 2020**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Note	Share Capital RM'000	ICPS - Equity Component RM'000	Attributable to owners of the Company					Total Equity RM'000
			Non-distributable		Reserve of disposal group held for sale			
			Warrants Reserve RM'000	Fair Value Reserve RM'000	Foreign Exchange Reserve RM'000	Accumulated Losses RM'000	Non- controlling Interest RM'000	
<b>At 1 January 2019</b>	32,930	10,725	2,034	-	764	(13,382)	(2,378)	30,693
Loss for the financial year	-	-	-	-	-	(6,693)	346	(6,347)
<b>Other comprehensive expenses:</b>								
Foreign currency translation differences for foreign operations	-	-	-	-	(15)	-	1	(14)
Net change in fair value of equity investment designated at FVOCI	-	-	-	(1,080)	-	-	-	(1,080)
<b>Total other comprehensive expenses</b>	-	-	-	(1,080)	(15)	-	1	(1,094)
<b>Total comprehensive expenses</b>	-	-	-	(1,080)	(15)	(6,693)	347	(7,441)
<b>Transactions with Owners of the Company</b>								
Reclassification from ICPS liability component	-	(338)	-	-	-	-	-	(338)
Reclassification	-	-	-	-	-	2	(3)	(1)
<b>Total transaction with Owners of the Company</b>	-	(338)	-	-	-	2	(3)	(339)
<b>At 31 December 2019</b>	32,930	10,387	2,034	(1,080)	749	(20,073)	(2,034)	22,913
<b>At 1 January 2020</b>	32,930	10,387	2,034	(1,080)	749	(20,073)	(2,034)	22,913
Loss for the financial year	-	-	-	-	-	(3,714)	(7)	(3,721)
<b>Other comprehensive expenses:</b>								
Foreign currency translation differences for foreign operations	-	-	-	-	(187)	-	4	(398)
<b>Total other comprehensive expenses</b>	-	-	-	-	(187)	-	4	(398)
<b>Total comprehensive expenses</b>	-	-	-	-	(187)	(3,714)	(3)	(4,119)
<b>Transactions with Owners of the Company</b>								
Issuance of ordinary shares pursuant to:								
- conversion of ICPS	27,121	(6,400)	-	-	-	-	-	20,721
- exercise of Warrant-A	175	-	-	-	-	-	-	175
- exercise of Warrant-B	153	-	(63)	-	-	-	-	90
- private placement	2,822	-	-	-	-	-	-	2,822
Effects on deferred tax asset on conversion of ICPS	-	(91)	-	-	-	-	-	(91)
Reclassification arising from disposal group held for sale	-	-	-	-	99	-	-	99
<b>Total transaction with Owners of the Company</b>	30,271	(6,491)	(63)	-	99	-	-	23,717
<b>At 31 December 2020</b>	63,201	3,896	1,971	(1,080)	661	(23,787)	(2,037)	42,511

(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 2019 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  
FOURTH QUARTER ENDED 31 DECEMBER 2020**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>CURRENT YEAR-TO-DATE 31 DECEMBER 2020 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING CUMULATIVE PERIOD 31 DECEMBER 2019 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax		(1,840)
- Continuing operations	(4,018)	(4,707)
- Discontinued operations	617	(6,547)
	<u>(3,401)</u>	<u>(6,547)</u>
<i>Adjustments for:</i>		
Bad debts written off on:		
- trade receivables	-	17
- other receivables	-	169
Depreciation of plant and equipment	767	785
Depreciation of right-of-use assets	3,670	3,300
Gain on lease termination	(1)	-
Gain on disposal of plant and equipment	(8)	-
Interest income	(76)	(76)
Addition/(Reversal) of loss allowance on:		
- amount due from associate	-	2,846
- trade receivables	155	9
- other receivables	-	(134)
(Gain)/Loss on foreign exchange - unrealised	(374)	155
Lease interest	344	470
Plant and equipment written off	1	-
Share of loss of associate, net of tax	-	304
Remeasurement of imputed interest income	(11)	(73)
Waiver of amount due to Director of a subsidiary	-	(60)
	<u>1,066</u>	<u>1,165</u>
Operating profit before working capital changes		
Inventories	(1,229)	87
Receivables	(10,395)	3,987
Payables	4,911	(2,557)
	<u>(5,647)</u>	<u>2,682</u>
Cash (used in)/generated from operations		
Interest paid	(344)	(470)
Tax paid	(180)	(128)
	<u>(6,171)</u>	<u>2,084</u>
Net cash (used in)/generated from operating activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition of right-of-used assets	(113)	-
Interest received	76	76
Proceeds from disposal of plant and equipment	8	2
Proceeds from disposal of subsidiary in prior year	-	225
Purchase of plant and equipment	(1,041)	(615)
	<u>(1,070)</u>	<u>(312)</u>
Net cash used in investing activities		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of term loan	608	-
Proceeds from issuance of ordinary shares pursuant to conversion of ICPS	27,121	-
Proceeds from issue of shares upon exercise of warrants	264	-
Proceeds from issuance of ordinary shares pursuant to private placement	2,822	-
Conversion of ICPS- liability component	(6,400)	-
Conversion of ICPS- equity component	(380)	-
Repayment of lease liabilities	(3,671)	(3,524)
	<u>20,364</u>	<u>(3,524)</u>
Net cash generated from/(used in) financing activities		
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>13,123</b>	<b>(1,752)</b>
<b>Effects of exchange rate changes</b>	<b>145</b>	<b>(100)</b>
<b>Cash and cash equivalents at beginning of financial year</b>	<b>10,103</b>	<b>11,956</b>
<b>Cash and cash equivalents of disposal group classified as held for sale</b>	<b>(2,386)</b>	<b>-</b>
<b>Cash and cash equivalents at end of financial year</b>	<b><u>20,985</u></b>	<b><u>10,104</u></b>
<b>Cash and cash equivalents comprise the followings</b>		
Short term investment	5,029	575
Cash on hand and at banks	12,394	8,713
Deposits with licensed bank	3,562	816
	<u>20,985</u>	<u>10,104</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 2019 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 FOURTH QUARTER ENDED**  
**31 DECEMBER 2020**

---

**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 2019.

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 December 2019.

**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 is 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 financial period 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, except those disclosed in Note A14.

**A6 MATERIAL CHANGES IN ESTIMATES**

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

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED**  
**31 DECEMBER 2020**

---

**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**

During the financial year-to-date and up to date of this report, the number of issued shares capital of the Company was increased from 329,304,925 to 793,442,617 by way of allotment and issuance of:

- 33,000,000 new ordinary shares arising from placement of up to 10% of the total number of issued shares;
- 401,979,982 new ordinary shares arising from conversion of irredeemable convertible preference shares (“ICPS”) by surrendering 401,979,982 number of ICPS;
- 10,490,456 new ordinary shares arising from the exercise of Warrants 2011/2021 (“Warrants-A”); and
- 18,667,254 new ordinary shares arising from the exercise of Warrants 2016/2021 (“Warrants-B”).

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

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

**A9 DIVIDENDS**

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

**A10 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM REPORTING PERIOD**

Save as disclosed in Notes A14 and B6, there were no other material events subsequent to the current financial year ended 31 December 2019 up to the date of this report.

**A11 CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

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

**A12 CAPITAL COMMITMENTS**

There was no capital commitments as at the current financial period under review.

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED  
31 DECEMBER 2020

---

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

**A13 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:-

[the remainder of this page is intentionally left blank]



**CONNECTCOUNTRY HOLDINGS BERHAD (“CONNECT” or the “Company”)**  
**Company No. 618933-D**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED**  
**31 DECEMBER 2020**

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

**A13 SEGMENTAL INFORMATION (CONT’D)**

**(ii) Geographical Segments**

	Malaysia RM’000	China - discontinued RM’000	Singapore RM’000	USA RM’000	Total RM’000	Elimination RM’000	Consolidated RM’000
<b>31 DECEMBER 2020</b>							
<b>REVENUE</b>							
External sales	-	28,212	2,550	38,672	69,434	(8,622)	60,812
<b>RESULTS</b>							
Operating (loss)/profit	(20,821)	775	(2,908)	1,208	(21,746)	18,695	(3,051)
Finance cost, net	(24)	(100)	(15)	(245)	(384)	34	(350)
(Loss)/Profit before tax	(20,845)	675	(2,923)	963	(22,130)	18,729	(3,401)
Taxation	(3)	-	-	(317)	(320)	-	(320)
(Loss)/Profit after tax	(20,848)	675	(2,923)	646	(22,450)	18,729	(3,721)
Minority interest	-	3	-	-	3	4	7
Net (loss)/profit attributable to owners of the Company	(20,848)	678	(2,923)	646	(22,447)	18,733	(3,714)
<b>ASSETS AND LIABILITIES</b>							
<b>Segment assets</b>							
Consolidated total assets	28,194	21,643	8,911	18,952	77,700	(11,766)	65,934
<b>Segment liabilities</b>							
Consolidated total liabilities	12,679	22,694	7,681	11,828	54,882	(31,459)	23,423
<b>OTHER INFORMATION</b>							
Depreciation	122	2,635	104	1,577	4,438	(1)	4,437
Capital expenditure	359	619	-	63	1,041	-	1,041

**CONNECTCOUNTRY HOLDINGS BERHAD ("CONNECT" or the "Company")**  
**Company No. 618933-D**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED**  
**31 DECEMBER 2020**

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

**A13 SEGMENTAL INFORMATION (CONT'D)**

**(ii) Geographical Segments**

	Malaysia RM'000	China - discontinued RM'000	Singapore RM'000	USA RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
<b>31 DECEMBER 2019</b>							
<b>REVENUE</b>							
External sales	-	22,941	5,498	32,223	60,662	(8,046)	52,616
<b>RESULTS</b>							
Operating (loss)/profit	(10,495)	(4,114)	(9,994)	(54)	(24,657)	18,939	(5,718)
Finance cost, net	(28)	(204)	(44)	(247)	(523)	-	(523)
Share of loss of associate	-	(305)	-	-	(305)	-	(305)
Loss before tax	(10,523)	(4,623)	(10,038)	(301)	(25,485)	18,939	(6,546)
Taxation	64	(1)	-	173	236	(37)	199
(Loss)/profit after tax	(10,459)	(4,624)	(10,038)	(128)	(25,249)	18,902	(6,347)
Minority interest	-	(375)	-	-	(375)	29	(346)
Net (loss)/profit attributable to owners of the Company	(10,459)	(4,999)	(10,038)	(128)	(25,624)	18,931	(6,693)
<b>ASSETS AND LIABILITIES</b>							
<b>Segment assets</b>							
Consolidated total assets	18,868	17,870	6,689	17,488	60,915	(17,145)	43,770
<b>Segment liabilities</b>							
Consolidated total liabilities	7,221	19,386	2,594	10,973	40,174	(19,317)	20,857
<b>OTHER INFORMATION</b>							
Depreciation	88	2,635	114	1,248	4,085	-	4,085
Capital expenditure	-	421	34	160	615	-	615

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED  
31 DECEMBER 2020**

---

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

**A14 CHANGES IN THE COMPOSITION OF THE GROUP**

Save for below, there was no change in the composition of the Group during the financial year-to-date.

1. The wholly-owned subsidiary of the Company, IBEX Pictures Entertainment Sdn. Bhd. had on 23 November 2020 changed its name to Waja Development Sdn. Bhd (“WDSB”)
2. The Company had on 5 February 2021, entered into an Equity Interest Transfer Agreement (“Agreement”) with Mr. Ong Meng Hoi (“Purchaser”) to dispose the entire issued share capital of USD5,100,000.00 of Rapid Conn (Shenzhen) Co. Ltd. (“RCC”) (“Sale Equity Interest”) for a total consideration of USD1.00 only (“Consideration”), subject to and upon the terms and conditions of the Agreement (“Proposed Disposal”). RCC has one associate company, Shenzhen Rapid Power Co. Ltd. (“RCP”).
3. The Company had on 16 February 2021 acquired 1,364,000 ordinary shares of RM1 each, representing 40% of total paid-up share capital in Connect Security Solution Sdn. Bhd. (“CSS”), for a purchase consideration of RM1 from LE Global Services Sdn. Bhd. (“LGS”). Upon acquisition of shares, CSS has become wholly-owned subsidiary of the Group.
4. The wholly-owned subsidiary of the Company, Waja Development Sdn. Bhd. (“WDSB”) had on 25 February 2021 incorporated a new wholly-owned subsidiary, namely Waja Build Tech Sdn. Bhd. (“WBT”). Subsequently on 12 March 2021, WBT becomes majority-owned subsidiary of WDSB which is holding 382,500 ordinary shares of RM1 each representing 51% of total paid-up share capital. .

[the remainder of this page is intentionally left blank]

**CONNECTCOUNTY HOLDINGS BERHAD ("CONNECT" or the "Company")**  
**Company No. 618933-D**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED**  
**31 DECEMBER 2020**

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

**B1 REVIEW OF PERFORMANCE**

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31 December 2020 RM'000	Preceding Year Corresponding Quarter 31 December 2019 RM'000	%	Current Year To-Date 31 December 2020 RM'000	Preceding Year Corresponding Period 31 December 2019 RM'000	%
<b>Continuing operations</b>						
Revenue	9,649	8,588	12.4%	41,222	37,721	9.3%
Operating loss	(2,176)	(71)	-2964.8%	(3,768)	(1,522)	-147.6%
Loss before tax	(2,209)	(125)	-1667.2%	(4,018)	(1,840)	-118.4%
Loss after tax	(2,052)	(52)	-3846.2%	(4,338)	(1,640)	-164.5%
<b>Discontinued operations</b>						
Loss from discontinued operations, net of tax	137	(1,265)	110.8%	617	(4,707)	113.1%
Loss after tax	(1,915)	(1,317)	-45.4%	(3,721)	(6,347)	41.4%
<b>Loss attributable to owners of the company</b>						
- from continuing operations	(2,051)	(52)	-3844.2%	(4,334)	(1,612)	-168.9%
- from discontinued operations	137	(1,639)	108.4%	620	(5,081)	112.2%
	(1,914)	(1,691)		(3,714)	(6,693)	

The following average exchange rates were used in the calculation of currency translation:

USD:RM	4.2017	4.1419
RMB:RM	0.6089	0.5998

**Current Year-To-Date vs Preceding Year Corresponding Quarter**

Overall Review of Group's Financial Performance

For the current financial year ended 31 December 2020, the Group's revenue and loss before tax were RM41.2 million and RM4.0 million respectively compared to its preceding year's corresponding period's revenue and loss before tax of RM37.7 million and RM1.8 million respectively.

Segmental Analysis

The Group's sales increase was mainly attributable to the increase in USA segment contributed from key customer's scheduled orders, increase demand in cables because of social distancing and stay at home; and demand on cables related to contactless product. However, it was offset by the decrease in Singapore segment.

The Group's recorded lower loss before tax in current financial year mainly due to better contribution from USA segment, lower lease interest and previous year's share of associate loss.

Other income mainly consists of interest income, rental income, government grant and unrealised forex exchange gain.

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED**  
**31 DECEMBER 2020**

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

**B1 REVIEW OF PERFORMANCE (CONT'D)**

**Current Quarter vs Preceding Year Corresponding Quarter**

Overall Review of Group's Financial Performance

For the current quarter under review, the Group's revenue and loss before tax were RM9.6 million and RM2.2 million respectively compared to its preceding year's corresponding quarter's revenue and loss before tax of RM8.6 million and RM0.1 million respectively.

Segmental Analysis

The Group's sales increase was mainly attributable to the increase in USA segment contributed from key customer's scheduled orders increase demand in cables because of social distancing and stay at home; and demand on cables related to contactless product. However, it was offset by the decrease in Singapore segment.

The Group's recorded higher loss before tax in current quarter in tandem with the better revenue and product mix margin.

Other income mainly consists of interest income, rental income, government grant and unrealised forex exchange gain.

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

	Current Quarter 31 December 2020 RM'000	Immediate Preceding Quarter 30 September 2020 RM'000	%
<b>Continuing operations</b>			
Revenue	9,649	12,192	-20.9%
Operating loss	(2,176)	(960)	126.7%
Loss before tax	(2,209)	(1,000)	120.9%
Loss after tax	(2,052)	(1,254)	63.6%
<b>Discontinued operations</b>			
Loss from discontinued operations, net of tax	137	1,513	
Loss after tax	(1,915)	259	-839.4%

In current quarter, the Group recorded a revenue of RM9.7 million and a loss before tax of RM2.2 million as compared to the revenue and loss before tax at RM12.2 million and RM1.0 million respectively for the preceding quarter ended 30 September 2020.

The Group's sales decreased in both Singapore and USA segment. Higher loss before tax recorded in current quarter in tandem with the lower revenue.

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED  
31 DECEMBER 2020**

**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 2021**

The Company continues to expose to external risks such as COVID-19 pandemic which affected the global economy particularly when there are multiple variants of the virus circulating globally.

It is still uncertain about any sign of easing international trade war tensions that affects global supply chain. Thus, certain customers might continue pushing back orders due to the risk in tariffs hike. Nevertheless, the Group is currently implementing strategies to further enhance its presence in the lucrative but highly competitive automotive, white goods and smart connected devices markets.

The Group is also exploring any new business possibilities to improve financial performance of the Group.

**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**

	Quarter Ended		Year to Date	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Current taxation:				
Domestic	-	-	-	-
Foreign tax	121	9	(317)	6
	<u>121</u>	<u>9</u>	<u>(317)</u>	<u>6</u>
Under provision in prior year:				
Domestic	-	-	-	-
Foreign tax	-	-	-	130
	<u>121</u>	<u>9</u>	<u>(317)</u>	<u>136</u>
Deferred taxation	36	64	(3)	64
	<u>157</u>	<u>73</u>	<u>(320)</u>	<u>200</u>

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

**B6 STATUS OF CORPORATE PROPOSAL**

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

**CONNECTCOUNTRY HOLDINGS BERHAD ("CONNECT" or the "Company")**  
**Company No. 618933-D**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED**  
**31 DECEMBER 2020**

**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)**

**Placement of up to 10% of the total number of issued shares ("Placement")**

The Company has submitted corporate proposal to Bursa Securities on 11 November 2019 in respect of proposed private placement of up to 87,707,500 new ordinary shares representing up to 10% of the total issued shares of connect (excluding treasury shares) to independent third party investors ("Proposed Private Placement"). Bursa Securities has, vide its letter dated 5 December 2019 approved the listing and quotation of up to 87,707,500 Placement Shares pursuant to the Proposed Private Placement.

The Board had, on 15 May 2020 ("Price Fixing Date"), fixed the issue price at RM0.0855 per Placement Share ("Issue Price").

The Issue Price represents a discount of approximately 9.5% to the 5-day WAMP of the Shares up to and including 14 May 2020, being the last full trading day immediately prior to the Price Fixing Date, of RM0.0945 per Share.

Subsequently on 28 May 2020, the Company had completed the Placement on the ACE Market of Bursa Malaysia Securities Berhad following the listing of and quotation for 33,000,000 Shares on the ACE Market of Bursa Securities.

The Company raised actual total gross proceeds of RM2,821,500 and the utilisation of which has been revised accordingly.

As at 31 March 2021, the status of utilisation of proceeds is as follow:-

Description	Proposed Utilisation RM'000	Revised Utilisation RM'000	Actual Utilisation as at 31 March 2021 RM'000	Balance RM'000	Intended Timeframe for Utilisation of Proceeds
Regional expansion	1,000.0	1,000.0	-	1,000.0	Within 24 months
Product development	1,000.0	1,000.0	-	1,000.0	Within 24 months
Working capital	477.0	726.6	-	726.6	Within 24 months
Estimated expenses	190.0	94.9	94.9	-	Completed
<b>Total</b>	<b>2,667.0</b>	<b>2,821.5</b>	<b>94.9</b>	<b>2,726.6</b>	

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED  
31 DECEMBER 2020**

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

**B7 TERM LOAN**

The Group's term loan as at 31 December 2020 are as follows:-

	<b>Short term (Secured) RM'000</b>	<b>Long term (Secured) RM'000</b>	<b>Total RM'000</b>
Ringgit Malaysia	582	-	582

**Denominated in each currency**

	<b>Short term (Secured) '000</b>	<b>Long term (Secured) '000</b>	<b>Total '000</b>
US Dollars	145	-	145

**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 DISCONTINUED OPERATIONS /ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE**

On 13 November 2020, the Group has entered into a Heads of Agreement (“HOA”) with a potential purchaser of the sale of entire equity interest of a wholly-subsiidiary, Rapid Conn (ShenZhen) Co., Ltd. (“RCC”) and 40% equity interest in ShenZhen Rapid Power Co., Ltd. (“RCP”) owned by RCC, effectively known as RCC Group. Accordingly, the assets and liabilities of RCC Group under China manufacturing segment are classified as disposal group classified as held for sale and the financial results of RCC Group are classified as discontinued operations.

RCC was not a discontinued operation or classified as held for sale as at 31 December 2019 and the comparative consolidated statement of profit or loss and other comprehensive income has been re-presented to show the discontinued operation separately from continuing operation.



**CONNECTCOUNTY HOLDINGS BERHAD ("CONNECT" or the "Company")**  
**Company No. 618933-D**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED**  
**31 DECEMBER 2020**

---

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

**B10 DISCONTINUED OPERATIONS /ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE (CONT'D)**

(i) **Assets and associated liabilities held for sale as at 31 December 2020 are as follows:**

\* post elimination of inter-companies balances as at 31 December 2020.

The carrying value of plant and equipment and right-of-use assets of the disposal group is the same as its carrying amount before it was being reclassified to current asset.

	<b>31 December 2020 RM'000</b>
<b>Assets classified as held for sale</b>	
Plant and equipment	1,945
Right-of-use assets	690
Trade receivables, net of impairment loss	4,871
Other receivables, net of impairment loss	6,970
Inventories	3,703
Deposits, cash and bank balances	2,387
<b>Total assets classified as held for sale*</b>	<u>20,566</u>
<b>Liabilities classified as held for sale</b>	
Lease liabilities	733
Trade payables	8,407
Other payables	1,203
<b>Total liabilities classified as held for sale*</b>	<u>10,343</u>

**CONNECTCOUNTY HOLDINGS BERHAD ("CONNECT" or the "Company")**  
**Company No. 618933-D**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED**  
**31 DECEMBER 2020**

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

**B10 DISCONTINUED OPERATIONS /ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALES (CONT'D)**

(ii) Analysis of the results of the discontinued operations is as follows:

	Year to date	
	31 December 2020 RM'000	31 December 2019 RM'000
<b>Revenue</b>	19,590	14,894
cost of sales	(17,566)	(14,282)
<b>Gross profit</b>	<u>2,024</u>	<u>612</u>
Other income	1,654	1,593
Administration expenses	(2,206)	(2,715)
Selling and distribution expenses	(490)	(552)
Other operating expenses	(264)	(3,136)
Finance costs	(101)	(204)
Share of loss of equity accounted associate, net of tax	-	(304)
<b>Profit/(loss) before tax</b>	<u>617</u>	<u>(4,706)</u>
Tax expense	-	(1)
<b>Loss for the financial year</b>	<u>617</u>	<u>(4,707)</u>
<b>Other comprehensive income, net of tax</b>		
Foreign currency translation differences	(211)	92
<b>Total comprehensive income for the financial year, net of tax</b>	<u>406</u>	<u>(4,615)</u>
<b>Profit/(loss) attributable to:</b>		
Owners of the Company	620	(5,081)
Non-controlling interests	(3)	374
	<u>617</u>	<u>(4,707)</u>
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	406	(4,990)
Non-controlling interests	-	375
	<u>406</u>	<u>(4,615)</u>

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED**  
**31 DECEMBER 2020**

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

**B11 LOSS PER SHARE (“LPS”)**

**(i) Basic LPS**

The Basic (loss)/earnings per share amounts are calculated by dividing (loss)/profit from the continuing and discontinued operations for the financial year net of tax, attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

The following reflect the (loss)/profit and shares data used in the computation of basic (loss)/earnings per share for the years ended 31 December:

	Quarter Ended		Year to Date	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Net loss attributable to shareholders				
- from continuing operations	(2,051)	(52)	(4,334)	(1,612)
- from discontinued operations	137	(1,639)	620	(5,081)
	<u>(1,914)</u>	<u>(1,691)</u>	<u>(3,714)</u>	<u>(6,693)</u>
Weighted average number of ordinary shares ('000 in units)	509,916	329,305	445,834	329,305
- from continuing operations	(0.40)	(0.02)	(0.97)	(0.49)
- from discontinued operations	0.03	(0.50)	0.14	(1.54)
<b>Basic loss per share (sen)</b>	<u><b>(0.37)</b></u>	<u><b>(0.52)</b></u>	<u><b>(0.83)</b></u>	<u><b>(2.03)</b></u>

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED  
31 DECEMBER 2020**

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

**B11 LOSS PER SHARE (“LPS”) (CONT'D)**

**(ii) Diluted LPS**

Diluted earnings per share amounts are calculated by dividing profit from continuing and discontinued operations for the financial year, net of tax, attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	Quarter Ended		Year to Date	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Net loss attributable to shareholders				
- from continuing operations	(2,051)	(52)	(4,334)	(1,612)
- from discontinued operations	137	(1,639)	620	(5,081)
	<u>(1,914)</u>	<u>(1,691)</u>	<u>(3,714)</u>	<u>(6,693)</u>
Weighted average number of shares ('000 in units)	509,916	329,305	445,834	329,305
Add assuming:				
Conversion of ICPS	198,928	*	198,928	*
Effect of dilution of unexercised Warrant-A	13,642	*	13,642	*
Effect of dilution of unexercised Warrant-B	8,205	*	8,205	*
	<u>730,691</u>	<u>329,305</u>	<u>666,609</u>	<u>329,305</u>
- from continuing operations	*	*	*	*
- from discontinued operations	0.02	*	0.09	*
<b>Diluted earnings per share (sen)</b>	<u><b>0.02</b></u>	<u><b>-</b></u>	<u><b>0.09</b></u>	<u><b>-</b></u>

\* Not taken into account in the computation of diluted LPS because the effect is anti-dilutive.

The computation for diluted LPS is not applicable for year ended 31 December 2020 as it has an anti-dilution effect.

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED**  
**31 DECEMBER 2020**

**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**

Loss for the year from continuing operations and discontinued operations was arrived after charging/(crediting):

	Quarter Ended		Year to Date	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Bad debts written off on:				
- trade receivables	-	17	-	17
- other receivables	-	169	-	169
Depreciation of plant and equipment	219	212	767	785
Depreciation of right-of-use assets	937	853	3,670	3,300
Gain on lease termination	(1)	-	(1)	-
Gain on disposal of plant and equipment	-	-	(8)	-
Interest income	(10)	(14)	(76)	(76)
Addition/(Reversal) of loss allowance on:				
- amount due from associate	-	2,846	-	2,846
- trade receivables	127	(149)	155	9
- other receivables	-	(134)	-	(134)
Loss/(Gain) on foreign exchange				
- unrealised	(407)	(109)	(374)	155
Interest/Lease expense	70	47	344	470
Plant and equipment written off	1	-	1	-
Share of loss in associate	-	(1)	-	304
Remeasurement of imputed interest (income)/expenses	6	(73)	(11)	(73)
Waiver of amount due to Director of a subsidiary	-	(60)	-	(60)

**B13 AUTHORISATION FOR ISSUE**

The interim financial statements were authorised for issuance on 31 March 2021 by the Board in accordance with a resolution passed by the directors.

By Order of the Board

Ang Chuang Juay  
Executive Deputy Chairman

31 March 2021