



**INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED
31 MARCH 2021**



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

**INTERIM FINANCIAL STATEMENTS FOR THE
FIRST QUARTER ENDED 31 MARCH 2021**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31 MARCH 2021 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 MARCH 2020 RM'000	CURRENT YEAR TO-DATE 31 MARCH 2021 RM'000	PRECEDING YEAR CORRESPONDING YEAR 31 MARCH 2020 RM'000
Continuing operations					
Revenue	B1	19,354	10,235	19,354	10,235
Cost of sales		(16,799)	(7,629)	(16,799)	(7,629)
Gross profit		2,555	2,606	2,555	2,606
Other income		1,307	439	1,307	439
Administration expense		(2,369)	(2,242)	(2,369)	(2,242)
Distribution and selling expenses		(736)	(838)	(736)	(838)
Other expenses		(936)	-	(936)	-
Loss from operations		(179)	(35)	(179)	(35)
Finance costs, net		(63)	(75)	(63)	(75)
Loss before tax	B1	(242)	(110)	(242)	(110)
Income tax expense	B5	(82)	(156)	(82)	(156)
Loss from continuing operations		(324)	(266)	(324)	(266)
Discontinued operations					
Loss from discontinued operations, net of tax	B10	(308)	(790)	(308)	(790)
Loss for the period		(632)	(1,056)	(632)	(1,056)
Other comprehensive expenses					
Foreign currency translation differences for foreign operation		928	788	928	788
Total comprehensive income/ (expenses) for the year		296	(268)	296	(268)
Loss attributable to:					
Owners of the Company					
from continuing operations		(313)	(265)	(313)	(265)
from discontinued operations		(308)	(790)	(308)	(790)
		(621)	(1,055)	(621)	(1,055)
Non-controlling interests		(11)	(1)	(11)	(1)
		(632)	(1,056)	(632)	(1,056)
Total comprehensive income/ (expenses) attributable to:					
Owners of the Company					
from continuing operations		615	(2)	615	(2)
from discontinued operations		(308)	(265)	(308)	(265)
		307	(267)	307	(267)
Non-controlling interests		(11)	(1)	(11)	(1)
		296	(268)	296	(268)
Loss per ordinary share attributable to Owners of the Company					
Basic loss per ordinary share (sen)					
from continuing operations	B11 (i)	(0.04)	(0.08)	(0.04)	(0.08)
from discontinued operations	B11 (i)	(0.04)	(0.24)	(0.04)	(0.24)
		(0.08)	(0.32)	(0.08)	(0.32)
Diluted loss per ordinary share (sen)					
from continuing operations	B11 (ii)	(0.04)	(0.08)	(0.04)	(0.08)
from discontinued operations	B11 (ii)	(0.04)	(0.24)	(0.04)	(0.24)
		(0.08)	(0.32)	(0.08)	(0.32)

(The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial statements.)

CONNECTCOUNTY HOLDINGS BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	AS AT 31 MARCH 2021 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2020 (AUDITED) RM'000
ASSETS			
Non-current assets			
Plant and equipment		2,737	1,159
Right-of-use assets		3,650	3,984
Deferred tax assets		406	403
		6,793	5,546
Current assets			
Inventories		5,476	5,576
Trade receivables		10,930	4,535
Other receivables		17,635	8,727
Short term investment		8,055	5,029
Deposits, cash and bank balances		20,477	15,955
		62,573	39,822
Assets classified as held for sale	B10	-	20,566
Total current assets		62,573	60,388
TOTAL ASSETS		69,366	65,934
EQUITY AND LIABILITIES			
Equity			
Share capital		79,087	63,201
Irredeemable convertible preference shares ("ICPS")		626	3,896
Reserve of disposal group held for sale		-	(312)
Warrants reserve		1,813	1,971
Fair value reserve		(1,080)	(1,080)
Foreign currency translation reserve		1,275	659
Accumulated losses	B12	(26,432)	(23,787)
Equity attributable to owners of the Company		55,289	44,548
Non-controlling interests		344	(2,037)
TOTAL EQUITY		55,633	42,511
Non-current liabilities			
Term loan	B7	102	99
Lease liabilities		2,233	2,277
Irredeemable convertible preference shares ("ICPS")		1,228	1,228
		3,563	3,604
Current liabilities			
Term loan	B7	498	483
Lease liabilities		1,459	1,753
Trade payables		5,476	2,918
Other payables		2,729	4,314
Tax payable		8	8
		10,170	9,476
Liabilities classified as held for sale	B10	-	10,343
Total current liabilities		10,170	19,819
TOTAL LIABILITIES		13,733	23,423
TOTAL EQUITY AND LIABILITIES		69,366	65,934
Net assets per share (RM)		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 2020 and the accompanying explanatory notes attached to this interim financial statements.)

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**INTERIM FINANCIAL STATEMENTS FOR THE
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Note	Attributable to owners of the Company						Accumulated Losses RM'000	Total RM'000	Non- controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	ICPS - Equity Component RM'000	Warrants Reserve RM'000	Fair Value Reserve RM'000	Foreign Exchange Reserve RM'000	Reserve of disposal group held for sale RM'000				
At 1 January 2020	32,930	10,387	2,034	(1,080)	749	-	(20,073)	24,947	(2,034)	22,913
Loss for the financial period	-	-	-	-	-	-	(1,055)	(1,055)	(1)	(1,056)
Other comprehensive expenses:										
Foreign currency translation differences for foreign operations	-	-	-	-	788	-	-	788	-	788
Total other comprehensive income	-	-	-	-	788	-	-	788	-	788
Total comprehensive income/(expenses)	-	-	-	-	788	-	(1,055)	(267)	(1)	(268)
Transaction with Owners of the Company										
Issurance of ordinary shares pursuant to: - conversion of ICPS	70	(17)	-	-	-	-	-	53	-	53
Total transaction with Owners of the Company	70	(17)	-	-	-	-	-	53	-	53
At 31 March 2020	33,000	10,370	2,034	(1,080)	1,537	-	(21,128)	24,733	(2,035)	22,698
At 1 January 2021	63,201	3,896	1,971	(1,080)	659	(312)	(23,787)	44,548	(2,037)	42,511
Loss for the financial year	-	-	-	-	-	-	(313)	(313)	(11)	(324)
Other comprehensive expenses:										
Foreign currency translation differences for foreign operations	-	-	-	-	616	-	(308)	308	-	308
Total other comprehensive income/(expenses)	-	-	-	-	616	-	(308)	308	-	308
Total comprehensive income/(expenses)	-	-	-	-	616	-	(621)	(5)	(11)	(16)
Transactions with Owners of the Company										
Issurance of ordinary shares pursuant to:										
- conversion of ICPS	13,077	(3,270)	-	-	-	-	-	9,807	-	9,807
- exercise of Warrant-A	874	-	-	-	-	-	-	874	-	874
- exercise of Warrant-B	1,935	-	(158)	-	-	-	-	1,777	-	1,777
Arising from dilution of equity interest in subsidiary company	-	-	-	-	-	-	(2,024)	(2,024)	2,392	368
Reclassification arising from disposal group held for sale	-	-	-	-	-	312	-	312	-	312
Total transaction with Owners of the Company	15,886	(3,270)	(158)	-	-	312	(2,024)	10,746	2,392	13,138
At 31 March 2021	79,087	626	1,813	(1,080)	1,275	-	(26,432)	55,289	344	55,633

(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 2020 and the accompanying explanatory notes attached to this interim financial statements.)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CURRENT YEAR-TO-DATE 31 MARCH 2021 RM'000	PRECEDING YEAR CORRESPONDING CUMULATIVE PERIOD 31 MARCH 2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax		
- Continuing operations	(242)	(110)
- Discontinued operations	(308)	(790)
	<u>(550)</u>	<u>(900)</u>
<i>Adjustments for:</i>		
Depreciation of plant and equipment	126	187
Depreciation of right-of-use assets	593	900
Gain on disposal of subsidiary	(879)	-
Interest income	(29)	(10)
Addition of loss allowance on other receivables	789	-
Loss on foreign exchange - unrealised	132	78
Lease interest	55	102
	<u>237</u>	<u>357</u>
Operating profit before working capital changes	237	357
Inventories	4,032	603
Receivables	(190)	(480)
Payables	(9,353)	1,160
	<u>(5,274)</u>	<u>1,640</u>
Cash (used in)/generated from operations	(5,274)	1,640
Interest paid	(55)	(102)
Tax paid	5	-
	<u>(5,324)</u>	<u>1,538</u>
Net cash (used in)/generated from operating activities	(5,324)	1,538
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	29	10
Purchase of plant and equipment	(1,642)	(28)
	<u>(1,613)</u>	<u>(18)</u>
Net cash used in investing activities	(1,613)	(18)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares pursuant to conversion of ICPS	13,077	70
Proceeds from issue of shares upon exercise of warrants	2,651	-
Conversion of ICPS expenses	(3,269)	(17)
Repayment of lease liabilities	(615)	(881)
	<u>11,844</u>	<u>(828)</u>
Net cash generated from/(used in) financing activities	11,844	(828)
Net increase in cash and cash equivalents	4,907	692
Effects of exchange rate changes	254	439
Cash and cash equivalents at beginning of financial year	23,371	10,103
Cash and cash equivalents at end of financial year	28,532	11,234
Cash and cash equivalents comprise the followings		
Short term investment	8,055	278
Cash on hand and at banks	20,427	10,136
Deposits with licensed bank	50	820
	<u>28,532</u>	<u>11,234</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 2020 and the accompanying explanatory notes attached to this interim financial statements.)

CONNECTCOUNTY HOLDINGS BERHAD (“CONNECT” or the “Company”)
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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED
31 MARCH 2021

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 2020.

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 2020.

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.

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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 636,163,245 to 812,218,017 by way of allotment and issuance of:

- 143,930,972 new ordinary shares arising from conversion of irredeemable convertible preference shares (“ICPS”) by surrendering 143,930,972 number of ICPS;
- 11,422,200 new ordinary shares arising from the exercise of Warrants 2011/2021 (“Warrants-A”); and
- 20,701,600 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 2020 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.

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

A13 SEGMENTAL INFORMATION

	Malaysia RM’000	China - discontinued RM’000	Singapore RM’000	USA RM’000	Total RM’000	Elimination RM’000	Consolidated RM’000
31 MARCH 2021							
REVENUE							
External sales:							
- Interconnect	-	2,398	451	8,894	11,743	(586)	11,157
- General construction	10,010	-	-	-	10,010	-	10,010
	<u>10,010</u>	<u>2,398</u>	<u>451</u>	<u>8,894</u>	<u>21,753</u>	<u>(586)</u>	<u>21,167</u>
RESULTS							
Operating (loss)/profit	(735)	(300)	11,096	487	10,548	(11,032)	(484)
Finance cost, net	(10)	(3)	(4)	(49)	(66)	-	(66)
(Loss)/Profit before tax	(745)	(303)	11,092	438	10,482	(11,032)	(550)
Taxation	-	-	-	(82)	(82)	-	(82)
(Loss)/Profit after tax	(745)	(303)	11,092	356	10,400	(11,032)	(632)
Minority interest	10	-	-	-	10	1	11
Net (loss)/profit attributable to owners of the Company	<u>(735)</u>	<u>(303)</u>	<u>11,092</u>	<u>356</u>	<u>10,410</u>	<u>(11,031)</u>	<u>(621)</u>
ASSETS AND LIABILITIES							
Segment assets							
Consolidated total assets	49,655	-	23,342	18,757	91,754	(22,388)	69,366
Segment liabilities							
Consolidated total liabilities	22,058	-	10,772	11,222	44,052	(30,319)	13,733
OTHER INFORMATION							
Depreciation	60	228	49	382	719	-	719
Capital expenditure	-	55	1,585	2	1,642	-	1,642

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

A13 SEGMENTAL INFORMATION (CONT’D)

	Malaysia RM’000	China - discontinued RM’000	Singapore RM’000	USA RM’000	Total RM’000	Elimination RM’000	Consolidated RM’000
31 MARCH 2020							
REVENUE							
External sales	-	3,057	529	9,706	13,292	(1,313)	11,979
RESULTS							
Operating (loss)/profit	(894)	(716)	479	818	(313)	(477)	(790)
Finance cost, net	(5)	(35)	(3)	(67)	(110)	-	(110)
(Loss)/Profit before tax	(899)	(751)	476	751	(423)	(477)	(900)
Taxation	-	-	-	(156)	(156)	-	(156)
(Loss)/Profit after tax	(899)	(751)	476	595	(579)	(477)	(1,056)
Minority interest	-	-	-	-	-	1	1
Net (loss)/profit attributable to owners of the Company	(899)	(751)	476	595	(579)	(476)	(1,055)
ASSETS AND LIABILITIES							
Segment assets							
Consolidated total assets	18,492	18,342	7,550	18,436	62,820	(17,402)	45,418
Segment liabilities							
Consolidated total liabilities	7,691	20,792	2,739	11,218	42,440	(19,720)	22,720
OTHER INFORMATION							
Depreciation	22	644	28	393	1,087	-	1,087
Capital expenditure	-	15	-	13	28	-	28

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**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 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”).
2. 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.
3. 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.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED
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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

	Individual Quarter		%	Cumulative Quarter		%
	Current Year Quarter 31 March 2021 RM'000	Preceding Year Corresponding Quarter 31 March 2020 RM'000		Current Year To-Date 31 March 2021 RM'000	Preceding Year Corresponding Period 31 March 2020 RM'000	
Continuing operations						
Revenue:						
- Interconnect	9,344	10,235	8.7%	9,344	10,235	8.7%
- General construction	10,010	-		10,010	-	
	<u>19,354</u>	<u>10,235</u>	-89.1%	<u>19,354</u>	<u>10,235</u>	-89.1%
Operating loss	(179)	(35)	-411.4%	(179)	(35)	-411.4%
Loss before tax	(242)	(110)	-120.0%	(242)	(110)	-120.0%
Loss after tax	(324)	(266)	-21.8%	(324)	(266)	-21.8%
Discontinued operations						
Loss from discontinued operations, net of tax	(308)	(790)	61.0%	(308)	(790)	61.0%
Loss for the period	<u>(632)</u>	<u>(1,056)</u>	40.2%	<u>(632)</u>	<u>(1,056)</u>	40.2%
Loss attributable to owners of the company						
- from continuing operations	(313)	(265)	-18.1%	(313)	(265)	-18.1%
- from discontinued operations	(308)	(790)	61.0%	(308)	(790)	61.0%
	<u>(621)</u>	<u>(1,055)</u>	41.1%	<u>(621)</u>	<u>(1,055)</u>	41.1%

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

USD:RM	4.0649	4.1784
RMB:RM	0.6270	0.5984

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 RM19.4 million and RM0.2 million respectively compared to its preceding year's corresponding period's revenue and loss before tax of RM10.2 million and RM0.1 million respectively.

Segmental Analysis

The revenue increased mainly because of General Construction segment started the operations in 2021. However, it was offset by the decrease in Interconnect segment from Singapore and USA. Higher loss before tax was recorded mainly due to additional professional fees incurred.

Other income mainly consists of interest income, rental income, government grant, unrealised forex exchange gain and (gain)/loss from disposal of subsidiary.

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

B2 COMPARISON WITH PRECEDING QUARTER'S RESULTS

	Current Quarter	Immediate	
	31 March	Preceding Quarter	
	2021	31 December	%
	RM'000	2020	
		RM'000	
Continuing operations			
Revenue:			
- Interconnect	9,344	9,649	-3.2%
- General construction	10,010	-	
	19,354	9,649	100.6%
Operating loss	(179)	(2,176)	91.8%
Loss before tax	(242)	(2,209)	89.0%
Loss after tax	(324)	(2,052)	84.2%
Discontinued operations			
Loss from discontinued operations, net of tax	(308)	137	-324.8%
Loss for the period	(632)	(1,915)	67.0%

In current quarter, the Group recorded a revenue of RM19.3 million and a loss before tax of RM0.2 million as compared to the revenue and loss before tax at RM9.7 million and RM2.2 million respectively for the preceding quarter ended 31 December 2020.

The revenue increased mainly because of General Construction segment started the operations in 2021. Whereas, the lower loss before tax was mainly due to profit from General Construction segment and better margin from Interconnect segment.

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. However the pandemic may provide us opportunities for demand arising from social distancing and stay at home practices; and demand related to contactless product.

It is still uncertain about any sign of easing international trade war tensions that affects global supply chain. In Addition, there is an ongoing fluctuation in commodity price particularly the copper price hikes due to disruption in copper production on the supply side. The fluctuation also affected our other material costs. All these have already affected and will continue to affect our operations and orders.

The Group will continue to explore business opportunities with the introduction of construction business. It will serve as an avenue to improve and broaden our earning base and reduce the reliance on its existing businesses to achieve improved financial performance.

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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 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Current taxation:				
Domestic	-	-	-	-
Foreign tax	(82)	(156)	(82)	(156)
	(82)	(156)	(82)	(156)
Under provision in prior year:				
Domestic	-	-	-	-
Foreign tax	-	-	-	130
	(82)	(156)	(82)	(156)
Deferred taxation	-	-	-	-
	(82)	(156)	(82)	(156)

No provision of taxation (domestic) was provided for the current quarter 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.

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").

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B6 STATUS OF CORPORATE PROPOSAL (CONT'D)

Placement of up to 10% of the total number of issued shares ("Placement") (cont'd)

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 25 May 2021, the status of utilisation of proceeds is as follow:-

Description	Proposed Utilisation RM'000	Revised Utilisation RM'000	Actual Utilisation as at 25 May 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
Total	2,667.0	2,821.5	94.9	2,726.6	

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B7 TERM LOAN

The Group’s term loan as at 31 March 2021 are as follows:-

	Short term (Secured) RM’000	Long term (Secured) RM’000	Total RM’000
Ringgit Malaysia	498	102	600

Denominated in each currency

	Short term (Secured) '000	Long term (Secured) '000	Total '000
US Dollars	120	25	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-subsiary, 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.

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.

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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.

	31 December
	2020
	RM'000
Assets classified as held for sale	
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
Total assets classified as held for sale*	<u>20,566</u>
Liabilities classified as held for sale	
Lease liabilities	733
Trade payables	8,407
Other payables	1,203
Total liabilities classified as held for sale*	<u>10,343</u>

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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:

	CURRENT YEAR QUARTER 31 MARCH 2021 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 MARCH 2020 RM'000
Revenue	1,813	1,743
Cost of sales	(1,833)	(1,587)
Gross profit	<u>(20)</u>	<u>156</u>
Other income	184	261
Administration expense	(393)	(929)
Distribution and selling expenses	(76)	(98)
Other expenses	-	(145)
Loss from operations	<u>(305)</u>	<u>(755)</u>
Finance costs, net	(3)	(35)
Loss before tax	<u>(308)</u>	<u>(790)</u>
Income tax expense	-	-
Loss for the period	<u><u>(308)</u></u>	<u><u>(790)</u></u>

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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 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Net loss attributable to shareholders				
- from continuing operations	(313)	(265)	(313)	(265)
- from discontinued operations	(308)	(790)	(308)	(790)
	<u>(621)</u>	<u>(1,055)</u>	<u>(621)</u>	<u>(1,055)</u>
Weighted average number of ordinary shares ('000 in units)	731,933	330,005	731,933	330,005
- from continuing operations	(0.04)	(0.08)	(0.04)	(0.08)
- from discontinued operations	(0.04)	(0.24)	(0.04)	(0.24)
Basic loss per share (sen)	<u>(0.08)</u>	<u>(0.32)</u>	<u>(0.08)</u>	<u>(0.32)</u>

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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 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Net loss attributable to shareholders				
- from continuing operations	(313)	(265)	(313)	(265)
- from discontinued operations	(308)	(790)	(308)	(790)
	<u>(621)</u>	<u>(1,055)</u>	<u>(621)</u>	<u>(1,055)</u>
Weighted average number of shares ('000 in units)	731,933	330,005	731,933	330,005
Add assuming:				
Conversion of ICPS	*	*	*	*
Effect of dilution of unexercised Warrant-A	*	*	*	*
Effect of dilution of unexercised Warrant-B	*	*	*	*
	<u>731,933</u>	<u>330,005</u>	<u>731,933</u>	<u>330,005</u>
- from continuing operations	(0.04)	(0.08)	(0.04)	(0.08)
- from discontinued operations	(0.04)	(0.24)	(0.04)	(0.24)
Diluted loss per share (sen)	<u>(0.08)</u>	<u>(0.32)</u>	<u>(0.08)</u>	<u>(0.32)</u>

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

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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 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Depreciation of plant and equipment	126	187	126	187
Depreciation of right-of-use assets	593	900	593	900
Gain on disposal of subsidiary	(879)	-	(879)	-
Interest income	(29)	(10)	(29)	(10)
Addition of loss allowance on other receivables	789	-	789	-
Loss on foreign exchange - unrealised	132	78	132	78
Interest/Lease expense	55	102	55	102

B13 AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issuance on 25 May 2021 by the Board in accordance with a resolution passed by the directors.

By Order of the Board

Ang Chuang Juay
Executive Deputy Chairman

25 May 2021