

# **WAJA KONSORTIUM BERHAD**

*(formerly known as ConnectCounty Holdings Berhad)*

**INTERIM FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED  
30 SEPTEMBER 2021**

**WAJA KONSORTIUM BERHAD**  
(formerly known as ConnectCounty Holdings Berhad)  
Company no. 200301016513 (618933-D)  
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE  
THIRD QUARTER ENDED 30 SEPTEMBER 2021**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30 SEPTEMBER 2021 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 SEPTEMBER 2020 RM'000	CURRENT YEAR TO-DATE 30 SEPTEMBER 2021 RM'000	PRECEDING YEAR CORRESPONDING YEAR 30 SEPTEMBER 2020 RM'000
<b>Continuing operations</b>					
Revenue	B1	23,344	12,192	64,212	31,573
Cost of sales		(21,141)	(9,462)	(56,929)	(24,475)
<b>Gross profit</b>		<b>2,203</b>	<b>2,730</b>	<b>7,283</b>	<b>7,098</b>
Other income		410	465	2,549	1,260
Administration expense		(2,640)	(3,297)	(7,748)	(7,554)
Distribution and selling expenses		(704)	(818)	(2,170)	(2,365)
Other expenses		(6,736)	(104)	(8,138)	(31)
<b>Loss from operations</b>		<b>(7,467)</b>	<b>(1,024)</b>	<b>(8,224)</b>	<b>(1,592)</b>
Finance costs, net		(50)	(39)	(234)	(216)
<b>Loss before tax</b>	B1	<b>(7,517)</b>	<b>(1,063)</b>	<b>(8,458)</b>	<b>(1,808)</b>
Income tax expense	B5	(43)	(254)	(356)	(477)
<b>Loss from continuing operations</b>		<b>(7,560)</b>	<b>(1,317)</b>	<b>(8,814)</b>	<b>(2,285)</b>
<b>Discontinued operations</b>					
Profit/(Loss) from discontinued operations, net of tax	B9	37	1,577	(207)	480
<b>(Loss)/Profit for the period</b>		<b>(7,523)</b>	<b>260</b>	<b>(9,021)</b>	<b>(1,805)</b>
<b>Other comprehensive expenses</b>					
Foreign currency translation differences for foreign operation		44	(653)	1,065	(9)
<b>Total comprehensive expenses for the year</b>		<b>(7,479)</b>	<b>(393)</b>	<b>(7,956)</b>	<b>(1,814)</b>
<b>Profit/(Loss) attributable to:</b>					
Owners of the Company					
from continuing operations		(7,795)	(1,316)	(9,265)	(2,282)
from discontinued operations		37	1,580	(207)	483
		(7,758)	264	(9,472)	(1,799)
Non-controlling interests		235	(4)	451	(6)
		(7,523)	260	(9,021)	(1,805)
<b>Total comprehensive income/ (expenses) attributable to:</b>					
Owners of the Company					
from continuing operations		(7,751)	(1,969)	(8,200)	(2,291)
from discontinued operations		37	1,580	(207)	483
		(7,714)	(389)	(8,407)	(1,808)
Non-controlling interests		235	(4)	451	(6)
		(7,479)	(393)	(7,956)	(1,814)
<b>Profit/(Loss) per ordinary share attributable to Owners of the Company</b>					
Basic profit/(loss) per ordinary share (sen)					
from continuing operations	B10 (i)	(0.89)	(0.26)	(1.13)	(0.56)
from discontinued operations	B10 (i)	-	0.31	(0.03)	0.12
		(0.89)	0.05	(1.16)	(0.44)
Diluted profit/(loss) per ordinary share (sen)					
from continuing operations	B10 (ii)	(0.89)	(0.26)	(1.13)	(0.56)
from discontinued operations	B10 (ii)	-	0.31	(0.03)	0.12
		(0.89)	0.05	(1.16)	(0.44)

(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.)

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**INTERIM FINANCIAL STATEMENTS FOR THE  
 THIRD QUARTER ENDED 30 SEPTEMBER 2021**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	AS AT 30 SEPTEMBER 2021 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2020 (AUDITED) RM'000
Note		
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipment	4,947	1,159
Right-of-use assets	2,821	3,984
Deferred tax assets	113	403
	7,881	5,546
<b>Current assets</b>		
Inventories	4,852	5,576
Trade receivables	32,409	4,535
Other receivables	10,097	8,727
Short term investment	4,623	5,029
Deposits, cash and bank balances	19,826	15,955
	71,807	39,822
Assets classified as held for sale	B9 -	20,566
<b>Total current assets</b>	71,807	60,388
<b>TOTAL ASSETS</b>	79,688	65,934
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	91,038	63,201
Irredeemable convertible preference shares ("ICPS")	-	3,896
Reserve of disposal group held for sale	-	(1,072)
Warrants reserve	-	1,971
Fair value reserve	(1,080)	(1,080)
Foreign currency translation reserve	1,412	1,419
Accumulated losses	B11 (35,158)	(23,787)
<b>Equity attributable to owners of the Company</b>	56,212	44,548
Non-controlling interests	806	(2,037)
<b>TOTAL EQUITY</b>	57,018	42,511
<b>Non-current liabilities</b>		
Term loan	-	99
Lease liabilities	898	2,277
Irredeemable convertible preference shares ("ICPS")	-	1,228
	898	3,604
<b>Current liabilities</b>		
Term loan	-	483
Lease liabilities	1,922	1,753
Contract liabilities	235	-
Trade payables	16,202	2,918
Other payables	3,121	4,314
Tax payable	292	8
	21,772	9,476
Liabilities classified as held for sale	B9 -	10,343
<b>Total current liabilities</b>	21,772	19,819
<b>TOTAL LIABILITIES</b>	22,670	23,423
<b>TOTAL EQUITY AND LIABILITIES</b>	79,688	65,934
<b>Net assets per share (RM)</b>	0.06	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  
THIRD QUARTER ENDED 30 SEPTEMBER 2021**

**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				
<b>At 1 January 2020</b>	32,930	10,387	2,034	(1,080)	749	-	(20,073)	24,947	(2,034)	22,913
Loss for the financial year	-	-	-	-	-	-	(1,799)	(1,799)	(6)	(1,805)
<b>Other comprehensive expenses:</b>										
Foreign currency translation differences for foreign operations	-	-	-	-	(9)	-	-	(9)	-	(9)
<b>Total other comprehensive expenses</b>	-	-	-	-	(9)	-	-	(9)	-	(9)
<b>Total comprehensive expenses</b>	-	-	-	-	(9)	-	(1,799)	(1,808)	(6)	(1,814)
<b>Transactions with Owners of the Company</b>										
Issurance of ordinary shares pursuant to:										
- conversion of ICPS	14,582	(3,645)	-	-	-	-	-	10,937	-	10,937
- exercise of Warrant-A	175	-	-	-	-	-	-	175	-	175
- exercise of Warrant-B	75	-	(52)	-	-	-	52	75	-	75
- private placement	2,822	-	-	-	-	-	-	2,822	-	2,822
Reclassification from ICPS liability component	-	143	-	-	-	-	-	143	-	143
<b>Total transaction with Owners of the Company</b>	17,654	(3,502)	(52)	-	-	-	52	14,152	-	14,152
<b>At 30 September 2020</b>	50,584	6,885	1,982	(1,080)	740	-	(21,820)	37,291	(2,040)	35,251
<b>At 1 January 2021</b>	63,201	3,896	1,971	(1,080)	1,419	(1,072)	(23,787)	44,548	(2,037)	42,511
(Loss)/Profit for the financial year	-	-	-	-	-	-	(9,472)	(9,472)	451	(9,021)
<b>Other comprehensive (expenses)/income:</b>										
Foreign currency translation differences for foreign operations	-	-	-	-	(7)	1,072	-	1,065	-	1,065
<b>Total other comprehensive (expenses)/income</b>	-	-	-	-	(7)	1,072	-	1,065	-	1,065
<b>Total comprehensive (expenses)/income</b>	-	-	-	-	(7)	1,072	(9,472)	(8,407)	451	(7,956)
<b>Transactions with Owners of the Company</b>										
Issurance of ordinary shares pursuant to:										
- conversion of ICPS	19,663	(4,973)	-	-	-	-	-	14,690	-	14,690
- exercise of Warrants-A	3,691	-	-	-	-	-	-	3,691	-	3,691
- exercise of Warrants-B	4,483	-	(1,971)	-	-	-	125	2,637	-	2,637
Arising from dilution of equity interest in subsidiary company	-	-	-	-	-	-	(2,024)	(2,024)	2,392	368
Effects on deferred tax asset on conversion of ICPS	-	(295)	-	-	-	-	-	(295)	-	(295)
Reclassification from ICPS liability component	-	1,372	-	-	-	-	-	1,372	-	1,372
<b>Total transaction with Owners of the Company</b>	27,837	(3,896)	(1,971)	-	-	-	(1,899)	20,071	2,392	22,463
<b>At 30 September 2021</b>	91,038	-	-	(1,080)	1,412	-	(35,158)	56,212	806	57,018

(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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**INTERIM FINANCIAL STATEMENTS FOR THE  
 THIRD QUARTER ENDED 30 SEPTEMBER 2021**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>CURRENT YEAR-TO-DATE 30 SEPTEMBER 2021 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING CUMULATIVE PERIOD 30 SEPTEMBER 2020 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax		
- continuing operations	(8,458)	(1,808)
- discontinued operations	(207)	480
	(8,665)	(1,328)
<i>Adjustments for:</i>		
Bad debts written off on trade receivables	5,748	-
Depreciation of plant and equipment	600	548
Depreciation of right-of-use assets	1,449	2,733
Gain on extinguishment of debt	(598)	-
(Gain)/loss on disposal of plant and equipment	-	(8)
Gain on derecognition of subsidiary	(649)	-
Interest income	(98)	(66)
Addition of loss allowance on trade receivables	-	28
Addition of loss allowance on other receivables	612	-
Development cost written off	1,591	-
Loss/(gain) on foreign exchange - unrealised	172	33
Lease interest	125	274
Remeasurement of imputed interest expenses	83	(17)
	370	2,197
Operating profit before working capital changes	370	2,197
Inventories	949	(1,447)
Receivables	(25,472)	(5,002)
Payables	11,461	1,455
	(12,692)	(2,797)
Cash used in operations	(12,692)	(2,797)
Interest paid	(125)	(274)
Tax refund/(paid)	283	(47)
	(12,534)	(3,118)
Net cash used in operating activities	(12,534)	(3,118)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	98	66
Proceeds from disposal of plant and equipment	-	8
Purchase of plant and equipment	(4,242)	(411)
	(4,144)	(337)
Net cash used in investing activities	(4,144)	(337)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of ordinary shares pursuant to conversion of ICPS	19,663	14,582
Proceeds from issue of shares upon exercise of warrants	6,328	250
Proceeds from issuance of ordinary shares pursuant to private placement	-	2,822
Conversion of ICPS expenses	(4,973)	(3,645)
Repayment of lease liabilities	(1,258)	(2,710)
	19,760	11,299
Net cash generated from financing activities	19,760	11,299
<b>Net increase in cash and cash equivalents</b>	3,082	7,844
<b>Effects of exchange rate changes</b>	383	144
<b>Cash and cash equivalents at beginning of financial year</b>	20,984	10,103
<b>Cash and cash equivalents at end of financial year</b>	24,449	18,091
<b>Cash and cash equivalents comprise the followings</b>		
Short term investment	4,623	6,059
Cash on hand and at banks	19,675	8,479
Deposits with licensed bank	151	3,553
	24,449	18,091

(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.)

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED**  
**31 SEPTEMBER 2021**

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

**A1 BASIS OF PREPARATION**

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

**A2 SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted as disclosed in the Group’s annual audited financial statements for the year ended 31 December 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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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED  
31 SEPTEMBER 2021**

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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 period under review, the number of issued shares capital of the Company was increased from 636,163,245 to 896,074,148 by way of allotment and issuance of:

- 196,628,601 new ordinary shares arising from conversion of irredeemable convertible preference shares (“ICPS”) by surrendering 198,927,890 number of ICPS;
- 36,913,170 new ordinary shares arising from the exercise of Warrants 2011/2021 (“Warrants-A”); and
- 26,369,132 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 were no capital commitments as at the current financial period under review.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED  
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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
<b>30 SEPTEMBER 2021</b>							
<b>REVENUE</b>							
External sales:							
- Interconnect	-	2,441	2,124	24,668	29,233	(596)	<b>28,637</b>
- General construction	37,420	-	-	-	37,420	-	<b>37,420</b>
	<u>37,420</u>	<u>2,441</u>	<u>2,124</u>	<u>24,668</u>	<u>66,653</u>	<u>(596)</u>	<b><u>66,057</u></b>
<b>RESULTS</b>							
Operating (loss)/profit	(1,265)	(197)	3,641	655	2,834	(11,262)	<b>(8,428)</b>
Finance cost, net	(109)	(3)	(10)	(115)	(237)	-	<b>(237)</b>
(Loss)/Profit before tax	(1,374)	(200)	3,631	540	2,597	(11,262)	<b>(8,665)</b>
Taxation	(353)	-	-	(3)	(356)	-	<b>(356)</b>
(Loss)/Profit after tax	(1,727)	(200)	3,631	537	2,241	(11,262)	<b>(9,021)</b>
Minority interest	(452)	-	-	-	(452)	1	<b>(451)</b>
Net (loss)/profit attributable to owners of the Company	<u>(2,179)</u>	<u>(200)</u>	<u>3,631</u>	<u>537</u>	<u>1,789</u>	<u>(11,261)</u>	<b><u>(9,472)</u></b>
<b>ASSETS AND LIABILITIES</b>							
<b>Segment assets</b>							
Consolidated total assets	76,031	-	18,564	18,029	112,624	(32,936)	<b>79,688</b>
<b>Segment liabilities</b>							
Consolidated total liabilities	39,779	-	13,605	10,288	63,672	(41,002)	<b>22,670</b>
<b>OTHER INFORMATION</b>							
Depreciation	180	231	472	1,166	2,049	-	<b>2,049</b>
Capital expenditure	27	-	4,213	2	4,242	-	<b>4,242</b>



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED  
 31 SEPTEMBER 2021**

**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
<b>30 SEPTEMBER 2020</b>							
<b>REVENUE</b>							
External sales	-	17,279	1,977	29,596	48,852	(5,755)	<b>43,097</b>
<b>RESULTS</b>							
Operating (loss)/profit	(2,737)	569	(1,759)	1,645	(2,282)	1,257	<b>(1,025)</b>
Finance cost, net	(16)	(86)	(10)	(191)	(303)	-	<b>(303)</b>
(Loss)/Profit before tax	(2,753)	483	(1,769)	1,454	(2,585)	1,257	<b>(1,328)</b>
Taxation	(38)	-	-	(439)	(477)	-	<b>(477)</b>
(Loss)/Profit after tax	(2,791)	483	(1,769)	1,015	(3,062)	1,257	<b>(1,805)</b>
Minority interest	-	3	-	-	3	3	<b>6</b>
Net (loss)/profit attributable to owners of the Company	(2,791)	486	(1,769)	1,015	(3,059)	1,260	<b>(1,799)</b>
<b>ASSETS AND LIABILITIES</b>							
<b>Segment assets</b>							
Consolidated total assets	30,398	17,122	7,541	20,737	75,798	(19,235)	<b>56,563</b>
<b>Segment liabilities</b>							
Consolidated total liabilities	7,390	18,340	5,118	13,196	44,044	(22,731)	<b>21,313</b>
<b>OTHER INFORMATION</b>							
Depreciation	66	1,942	80	1,193	3,281	-	<b>3,281</b>
Capital expenditure	-	398	-	13	411	-	<b>411</b>

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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. CSS has changed its name to Connect Tech Sdn Bhd (“CTSB”) on 8 April 2021.
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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**WAJA KONSORTIUM BERHAD (“WAJA” or the “Company”)**  
**(formerly known as ConnectCounty Holdings Berhad)**  
**Company No. 200301016513 (618933-D)**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED**  
**31 SEPTEMBER 2021**

**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 30 September 2021 RM'000	Preceding Year Corresponding Quarter 30 September 2020 RM'000	%	Current Year To-Date 30 September 2021 RM'000	Preceding Year Corresponding Period 30 September 2020 RM'000	%
<b>Continuing operations</b>						
Revenue:						
- Interconnect	8,317	12,192	-31.8%	26,792	31,573	-15.1%
- General construction	15,027	-		37,420	-	
	<u>23,344</u>	<u>12,192</u>	91.5%	<u>64,212</u>	<u>31,573</u>	103.4%
Operating loss	(7,467)	(1,024)	-629.2%	(8,224)	(1,592)	-416.6%
Loss before tax	(7,517)	(1,063)	-607.1%	(8,458)	(1,808)	-367.8%
Loss after tax	(7,560)	(1,317)	-474.0%	(8,814)	(2,285)	-285.7%
<b>Discontinued operations</b>						
Profit/(Loss) from discontinued operations, net of tax	37	1,577	-97.7%	(207)	480	-143.1%
Loss for the period	<u>(7,523)</u>	<u>260</u>	-2993.5%	<u>(9,021)</u>	<u>(1,805)</u>	-399.8%
<b>Profit/(Loss) attributable to owners of the company</b>						
- from continuing operations	(7,795)	(1,316)	-492.3%	(9,265)	(2,282)	-306.0%
- from discontinued operations	37	1,580	-97.7%	(207)	483	-142.9%
	<u>(7,758)</u>	<u>264</u>	-3038.6%	<u>(9,472)</u>	<u>(1,799)</u>	-426.5%

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

USD:RM	4.1296	4.2335
RMB:RM	0.6382	0.6052

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

Overall Review of Group's Financial Performance

For the current financial period ended 30 September 2021, the Group's revenue and loss before tax were RM64.2 million and RM8.5 million respectively compared to its preceding year's corresponding period's revenue and loss before tax of RM31.6 million and RM1.8 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 USA. Despite General Construction recorded operating profit of RM1.5 million, higher loss before tax was recorded mainly due to other expenses of RM7.3 million incurred in Interconnect segment arising from debt written off upon disposal of China operation and development cost written off.

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

**WAJA KONSORTIUM BERHAD (“WAJA” or the “Company”)**  
**(formerly known as ConnectCounty Holdings Berhad)**  
**Company No. 200301016513 (618933-D)**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED**  
**31 SEPTEMBER 2021**

**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 RM23.3 million and RM7.5 million respectively compared to its preceding year's corresponding period's revenue and loss before tax of RM12.2 million and RM1.1 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 USA. Despite General Construction recorded operating profit of RM0.7 million, higher loss before tax was recorded mainly due to other expenses of RM6.8 million incurred in Interconnect segment arising from debt written off upon disposal of China operation and development cost written off.

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

	<b>Current Quarter</b>	<b>Immediate</b>	
	<b>30 September</b>	<b>Preceding Quarter</b>	
	<b>2021</b>	<b>30 June</b>	<b>%</b>
	<b>RM'000</b>	<b>2021</b>	
	<b>RM'000</b>	<b>RM'000</b>	
<b>Continuing operations</b>			
Revenue:			
- Interconnect	8,317	9,131	-8.9%
- General construction	15,027	12,383	21.4%
	23,344	21,514	8.5%
Operating loss	(7,467)	(578)	-1191.9%
Loss before tax	(7,517)	(699)	-975.4%
Loss after tax	(7,560)	(930)	-712.9%
<b>Discontinued operations</b>			
Profit from discontinued			
operations, net of tax	37	64	42.2%
Loss for the period	(7,523)	(866)	-768.7%

In current quarter, the Group recorded a revenue of RM23.3 million and a loss before tax of RM7.5 million as compared to the revenue and loss before tax at RM21.5 million and RM0.7 million respectively for the preceding quarter ended 30 June 2021.

The revenue increased mainly because of addition progress billings in current quarter from General Construction segment.

**WAJA KONSORTIUM BERHAD (“WAJA” or the “Company”)**  
**(formerly known as ConnectCounty Holdings Berhad)**  
**Company No. 200301016513 (618933-D)**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED**  
**31 SEPTEMBER 2021**

**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 (CONT'D)**

Higher loss before tax was recorded mainly due to other expenses of RM6.8 million incurred in Interconnect segment arising from debt written off upon disposal of China operation and development cost written off.

**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. The global supply chain is also affected by the continued port congestion in America and China's strict lockdown policy that may affect the supplying of components.

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 and unfavourable foreign exchange rate in RMB:USD. All these fluctuations have affected our material costs and it will continue to affect our operations and orders.

The Group started new business with the introduction of construction business in 2021. 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.

**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	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Current taxation:				
Domestic	(151)	-	(291)	-
Foreign tax	108	(231)	(4)	(438)
	(43)	(231)	(295)	(438)
Deferred taxation	-	(23)	(61)	(39)
	<b>(43)</b>	<b>(254)</b>	<b>(356)</b>	<b>(477)</b>

**WAJA KONSORTIUM BERHAD (“WAJA” or the “Company”)**  
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**Company No. 200301016513 (618933-D)**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED**  
**31 SEPTEMBER 2021**

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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)**

**B6 STATUS OF CORPORATE PROPOSAL**

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

**Placement, Diversification, ESOS and Change of Name (“Proposals”)**

On behalf of the Board of Directors, Mercury Securities Sdn Bhd has on 13 April 2021 announced that the Company proposes to undertake the following:

Proposed placement of up to 30% of Company’s total number of issued shares;  
Proposed diversification of the principal activities of Company and its subsidiaries (“Group”) to include the undertaking of construction, project management and related activities;  
Employees’ share option scheme (“ESOS”) involving up to 30% of total number of issued shares;  
Proposed change of name of the Company from “Connectcounty Holdings Berhad” To “Waja Konsortium Berhad” (“Proposed Change of Name”)  
(Collectively, referred to as the “**Proposals**”)

The proposals were approved by shareholders at Extraordinary General Meeting on 15 June 2021.

On 16 June 2021, the Company announced the effective date for the implementation of the ESOS has been fixed on 16 June 2021, being the date of full compliance of the ESOS.

The proposed change of name effected on 28 July 2021.

**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.

**WAJA KONSORTIUM BERHAD (“WAJA” or the “Company”)**  
**(formerly known as ConnectCounty Holdings Berhad)**  
**Company No. 200301016513 (618933-D)**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED**  
**31 SEPTEMBER 2021**

**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") (Cont'd)**

As at 24 November 2021, the status of utilisation of proceeds is as follow: -

Description	Proposed Utilisation RM'000	Revised Utilisation RM'000	Actual Utilisation as at 24 November 2021 RM'000	Balance RM'000	Intended Timeframe for Utilisation of Proceeds
Regional expansion	1,000.0	1,000.0	-	<b>1,000.0</b>	Within 24 months
Product development	1,000.0	1,000.0	-	<b>1,000.0</b>	Within 24 months
Working capital	477.0	726.6	-	<b>726.6</b>	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>	

**B7 MATERIAL LITIGATIONS**

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

**B8 DIVIDENDS**

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

**B9 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.

**WAJA KONSORTIUM BERHAD (“WAJA” or the “Company”)**  
*(formerly known as ConnectCounty Holdings Berhad)*  
**Company No. 200301016513 (618933-D)**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED  
31 SEPTEMBER 2021**

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

**B9 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>	<b>20,566</b>
 <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>	<b>10,343</b>



**WAJA KONSORTIUM BERHAD (“WAJA” or the “Company”)**  
**(formerly known as ConnectCounty Holdings Berhad)**  
**Company No. 200301016513 (618933-D)**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED**  
**31 SEPTEMBER 2021**

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

**B9 DISCONTINUED OPERATIONS ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALES**  
**(CONT'D)**

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30 SEPTEMBER 2021 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 SEPTEMBER 2020 RM'000	CURRENT YEAR TO-DATE 30 SEPTEMBER 2021 RM'000	PRECEDING YEAR CORRESPONDING YEAR 30 SEPTEMBER 2020 RM'000
Revenue	15	5,378	1,845	11,524
Cost of sales	25	(3,364)	(1,759)	(8,654)
<b>Gross profit</b>	<b>40</b>	<b>2,014</b>	<b>86</b>	<b>2,870</b>
Other income	1	566	187	1,084
Administration expense	(3)	(998)	(400)	(2,988)
Distribution and selling expenses	(1)	(123)	(77)	(328)
Other expenses	-	140	-	(72)
<b>Profit/(Loss) from operations</b>	<b>37</b>	<b>1,599</b>	<b>(204)</b>	<b>566</b>
Finance costs, net	-	(22)	(3)	(86)
<b>Profit/(Loss) before tax</b>	<b>37</b>	<b>1,577</b>	<b>(207)</b>	<b>480</b>
Income tax expense	-	-	-	-
<b>Profit/(Loss) for the period</b>	<b>37</b>	<b>1,577</b>	<b>(207)</b>	<b>480</b>

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**Company No. 200301016513 (618933-D)**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED  
31 SEPTEMBER 2021**

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

**B10 LOSS PER SHARE (“LPS”)**

**(i) Basic LPS**

The Basic loss per share amounts are calculated by dividing profit/(loss) 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 and shares data used in the computation of basic loss per share for the period ended 30 September:

	Quarter Ended		Year to Date	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Net profit/(loss) attributable to shareholders				
- from continuing operations	(7,795)	(1,316)	(9,265)	(2,282)
- from discontinued operations	37	1,580	(207)	483
	<u>(7,758)</u>	<u>264</u>	<u>(9,472)</u>	<u>(1,799)</u>
Weighted average number of ordinary shares ('000 in units)	880,661	509,916	819,484	408,278
- from continuing operations	(0.89)	(0.26)	(1.13)	(0.56)
- from discontinued operations	-	0.31	(0.03)	0.12
<b>Basic (loss)/profit per share (sen)</b>	<b>(0.89)</b>	<b>0.05</b>	<b>(1.16)</b>	<b>(0.44)</b>

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**WAJA KONSORTIUM BERHAD (“WAJA” or the “Company”)**  
**(formerly known as ConnectCounty Holdings Berhad)**  
**Company No. 200301016513 (618933-D)**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED**  
**31 SEPTEMBER 2021**

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

**B10 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	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Net profit/(loss) attributable to shareholders				
- from continuing operations	(7,795)	(1,316)	(9,265)	(2,282)
- from discontinued operations	37	1,580	(207)	483
	<u>(7,758)</u>	<u>264</u>	<u>(9,472)</u>	<u>(1,799)</u>
Weighted average number of shares ('000 in units)	880,661	509,916	819,484	408,278
Add assuming:				
Conversion of ICPS	*	*	*	*
Effect of dilution of unexercised Warrant-A	*	*	*	*
Effect of dilution of unexercised Warrant-B	*	*	*	*
	<u>880,661</u>	<u>509,916</u>	<u>819,484</u>	<u>408,278</u>
- from continuing operations	(0.89)	(0.26)	(1.13)	(0.56)
- from discontinued operations	-	0.31	(0.03)	0.12
<b>Diluted (loss)/profit per share (sen)</b>	<b>(0.89)</b>	<b>0.05</b>	<b>(1.16)</b>	<b>(0.44)</b>

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

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**Company No. 200301016513 (618933-D)**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED**  
**31 SEPTEMBER 2021**

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

**B11 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	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Bad debts written off on trade receivables	5,748	-	5,748	-
Depreciation of plant and equipment	261	179	600	548
Depreciation of right-of-use assets	431	909	1,449	2,733
Gain on extinguishment of debt	(5)	-	(598)	-
Gain on disposal of plant and equipment	-	(8)	-	(8)
Gain on derecognition of subsidiary	37	-	(649)	-
Interest income	(33)	(48)	(98)	(66)
Addition of loss allowance on trade receivables	-	(42)	-	28
Addition of loss allowance on other receivables	(90)	-	612	-
Development cost written off	1,031	-	1,591	-
Loss on foreign exchange - unrealised	50	106	172	33
Lease interest	41	79	125	274
Remeasurement of imputed interest (income)/expenses	-	(46)	83	(17)

**B12 AUTHORISATION FOR ISSUE**

The interim financial statements were authorised for issuance on 24 November 2021 by the Board in  
accordance with a resolution passed by the directors.

By Order of the Board

Yeo Wee Sun  
Executive Director

24 November 2021