

WAJA KONSORTIUM BERHAD

(formerly known as ConnectCounty Holdings Berhad)

**INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2021**

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

**INTERIM FINANCIAL STATEMENTS FOR THE
FOURTH QUARTER ENDED 31 DECEMBER 2021**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31 DECEMBER 2021 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 DECEMBER 2020 RM'000	CURRENT YEAR TO-DATE 31 DECEMBER 2021 RM'000	PRECEDING YEAR CORRESPONDING YEAR 31 DECEMBER 2020 RM'000
Continuing operations					
Revenue	B1	30,370	9,649	94,582	41,222
Cost of sales		(29,596)	(8,250)	(86,525)	(32,725)
Gross profit		774	1,399	8,057	8,497
Other income		93	438	2,642	1,698
Administration expense		(1,705)	(2,891)	(9,453)	(10,445)
Distribution and selling expenses		(736)	(848)	(2,906)	(3,213)
Other expenses		(12,337)	(274)	(20,475)	(305)
Loss from operations		(13,911)	(2,176)	(22,135)	(3,768)
Finance costs, net		39	(34)	(195)	(250)
Loss before tax	B1	(13,872)	(2,210)	(22,330)	(4,018)
Income tax expense	B5	(146)	157	(502)	(320)
Loss from continuing operations		(14,018)	(2,053)	(22,832)	(4,338)
Discontinued operations					
(Loss)/Profit from discontinued operations, net of tax	B9	(103)	137	(310)	617
Loss for the period		(14,121)	(1,916)	(23,142)	(3,721)
Other comprehensive (expenses)/income					
Foreign currency translation differences for foreign operation		(189)	(389)	876	(398)
Total comprehensive expenses for the year		(14,310)	(2,305)	(22,266)	(4,119)
(Loss)/Profit attributable to:					
Owners of the Company					
from continuing operations		(14,375)	(2,052)	(23,640)	(4,334)
from discontinued operations		(103)	137	(310)	620
		(14,478)	(1,915)	(23,950)	(3,714)
Non-controlling interests		357	(1)	808	(7)
		(14,121)	(1,916)	(23,142)	(3,721)
Total comprehensive (expenses)/income attributable to:					
Owners of the Company					
from continuing operations		(14,564)	(2,231)	(22,764)	(4,522)
from discontinued operations		(103)	(77)	(310)	406
		(14,667)	(2,308)	(23,074)	(4,116)
Non-controlling interests		357	3	808	(3)
		(14,310)	(2,305)	(22,266)	(4,119)
(Loss)/Profit per ordinary share attributable to Owners of the Company					
Basic (loss)/profit per ordinary share (sen)					
from continuing operations	B10 (i)	(1.63)	(0.40)	(2.82)	(1.01)
from discontinued operations	B10 (i)	(0.01)	0.03	(0.04)	0.14
		(1.64)	(0.37)	(2.86)	(0.87)
Diluted (loss)/profit per ordinary share (sen)					
from continuing operations	B10 (ii)	(1.63)	(0.40)	(2.82)	(0.67)
from discontinued operations	B10 (ii)	(0.01)	0.03	(0.04)	0.10
		(1.64)	(0.37)	(2.86)	(0.57)

(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.)

WAJA KONSORTIUM BERHAD
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**INTERIM FINANCIAL STATEMENTS FOR THE
 FOURTH QUARTER ENDED 31 DECEMBER 2021**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31 DECEMBER 2021 (UNAUDITED)	AS AT 31 DECEMBER 2020 (AUDITED)
Note	RM'000	RM'000
ASSETS		
Non-current assets		
Plant and equipment	1,753	1,159
Right-of-use assets	2,847	3,984
Other investment	334	-
Deferred tax assets	-	403
	4,934	5,546
Current assets		
Inventories	4,960	5,576
Contract assets	5,932	-
Trade receivables	35,496	4,535
Other receivables	2,204	8,727
Short term investment	4,643	5,029
Tax recoverable	162	-
Deposits, cash and bank balances	14,530	15,955
	67,927	39,822
Assets classified as held for sale	B9	-
Total current assets	67,927	20,566
	67,927	60,388
TOTAL ASSETS	72,861	65,934
EQUITY AND LIABILITIES		
Equity		
Share capital	90,893	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	1,223	1,419
Accumulated losses	B11	(49,649)
	(49,649)	(23,787)
Equity attributable to owners of the Company	41,387	44,548
Non-controlling interests	1,175	(2,037)
	1,175	(2,037)
TOTAL EQUITY	42,562	42,511
Non-current liabilities		
Term loan	-	99
Lease liabilities	1,033	2,277
Irredeemable convertible preference shares ("ICPS")	-	1,228
	1,033	3,604
Current liabilities		
Term loan	-	483
Lease liabilities	1,768	1,753
Contract liabilities	245	-
Trade payables	21,442	2,918
Other payables	5,689	4,314
Tax payable	122	8
	29,266	9,476
Liabilities classified as held for sale	B9	-
Total current liabilities	29,266	19,819
	29,266	19,819
TOTAL LIABILITIES	30,299	23,423
	30,299	23,423
TOTAL EQUITY AND LIABILITIES	72,861	65,934
	72,861	65,934
Net assets per share (RM)	0.05	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.)

WAJA KONSORTIUM BERHAD
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**INTERIM FINANCIAL STATEMENTS FOR THE
FOURTH QUARTER ENDED 31 DECEMBER 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				
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 year	-	-	-	-	-	-	(3,714)	(3,714)	(7)	(3,721)
Other comprehensive expenses:										
Foreign currency translation differences for foreign operations	-	-	-	-	(189)	(213)	-	(402)	4	(398)
Total other comprehensive expenses	-	-	-	-	(189)	(213)	-	(402)	4	(398)
Total comprehensive expenses	-	-	-	-	(189)	(213)	(3,714)	(4,116)	(3)	(4,119)
Transactions with Owners of the Company										
Issurance of ordinary shares pursuant to:										
- conversion of ICPS	27,121	(6,400)	-	-	-	-	-	20,721	-	20,721
- conversion of Warrants-A	175	-	-	-	-	-	-	175	-	175
- conversion of Warrants-B	153	-	(63)	-	-	-	-	90	-	90
- Private Placement	2,822	-	-	-	-	-	-	2,822	-	2,822
Effects on deferred tax asset on conversion of ICPS	-	(91)	-	-	-	-	-	(91)	-	(91)
Reclassification arising from disposal group held for sale	-	-	-	-	859	(859)	-	-	-	-
Total transaction with Owners of the Company	30,271	(6,491)	(63)	-	859	(859)	-	23,717	-	23,717
At 31 December 2020	63,201	3,896	1,971	(1,080)	1,419	(1,072)	(23,787)	44,548	(2,037)	42,511
At 1 January 2021	63,201	3,896	1,971	(1,080)	1,419	(1,072)	(23,787)	44,548	(2,037)	42,511
Loss for the financial year	-	-	-	-	-	-	(23,950)	(23,950)	808	(23,142)
Other comprehensive (expenses)/income:										
Foreign currency translation differences for foreign operations	-	-	-	-	(196)	1,072	-	876	-	876
Total other comprehensive (expenses)/income	-	-	-	-	(196)	1,072	-	876	-	876
Total comprehensive (expenses)/income	-	-	-	-	(196)	1,072	(23,950)	(23,074)	808	(22,266)
Transactions with Owners of the Company										
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	-	-	-	-	-	-	(2,037)	(2,037)	2,404	367
Effects on deferred tax asset on conversion of ICPS	(61)	(295)	-	-	-	-	-	(356)	-	(356)
Reclassification from ICPS liability component	(84)	1,372	-	-	-	-	-	1,288	-	1,288
Total transaction with Owners of the Company	27,692	(3,896)	(1,971)	-	-	-	(1,912)	19,913	2,404	22,317
At 31 December 2021	90,893	-	-	(1,080)	1,223	-	(49,649)	41,387	1,175	42,562

(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
 FOURTH QUARTER ENDED 31 DECEMBER 2021**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CURRENT YEAR-TO-DATE 31 DECEMBER 2021 RM'000	PRECEDING YEAR CORRESPONDING CUMULATIVE PERIOD 31 DECEMBER 2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax		
- continuing operations	(22,331)	(4,018)
- discontinued operations	(310)	617
	(22,641)	(3,401)
<i>Adjustments for:</i>		
Depreciation of plant and equipment	883	767
Depreciation of right-of-use assets	1,901	3,670
Gain on lease termination on lease liabilities	-	(12)
Gain on extinguishment of debt	(607)	-
Gain on disposal of plant and equipment	-	(8)
Loss on disposal of a subsidiary	6,028	-
Interest income	(119)	(76)
Addition of loss allowance on trade receivables	-	155
Addition of loss allowance on other receivables	6,188	-
Development cost written off	2,244	-
Loss on lease termination on right-of-use assets	-	11
Gain on foreign exchange - unrealised	(90)	(374)
Lease interest	184	445
Impairment loss on plant and equipment	4,012	1
Impairment loss on prepayment	1,993	-
Remeasurement of imputed interest expenses/(income)	-	(11)
	(24)	1,167
Operating (loss)/profit before working capital changes	(24)	1,167
Inventories	815	(1,229)
Receivables	(36,978)	(10,996)
Payables	19,342	4,911
	(16,845)	(6,147)
Cash used in operations	(16,845)	(6,147)
Interest paid	(184)	(445)
Tax refund/(paid)	113	(180)
	(16,916)	(6,772)
Net cash used in operating activities	(16,916)	(6,772)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition of right-of-use asset	(129)	(113)
Interest received	119	76
Repayment from associate	-	601
Proceeds from disposal of plant and equipment	-	8
Purchase of plant and equipment	(4,471)	(1,041)
	(4,481)	(469)
Net cash used in investing activities	(4,481)	(469)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares pursuant to conversion of ICPS	19,586	20,341
Proceeds from issue of shares upon exercise of warrants	6,328	265
Proceeds from issuance of ordinary shares pursuant to private placement	-	2,822
Conversion of ICPS expenses	(4,973)	-
Repayment of lease liabilities	(1,694)	(3,672)
	19,247	20,364
Net cash generated from financing activities	19,247	20,364
Net (decrease)/increase in cash and cash equivalents	(2,150)	13,123
Effects of exchange rate changes	339	145
Cash and cash equivalents at beginning of financial year	20,984	10,103
Cash and cash equivalents of disposal group classified as held for sale	-	(2,387)
Cash and cash equivalents at end of financial year	19,173	20,984
Cash and cash equivalents comprise the followings		
Short term investment	4,643	5,029
Cash on hand and at banks	14,378	12,393
Deposits with licensed bank	152	3,562
	19,173	20,984

(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 FOURTH QUARTER ENDED
31 DECEMBER 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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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2021

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 below and in Notes A14 and B6, there were no other material events subsequent to the current financial year ended 31 December 2021 up to the date of this report.

On 25 February 2022, 268,822,243 of ordinary shares were offered under the Employees’ Share Option Scheme of the Company (“ESOS”) at the exercise price of RM0.1106 per ordinary share.

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

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 DECEMBER 2021							
REVENUE							
External sales:							
- Interconnect	-	2,385	2,823	30,992	36,200	(582)	35,618
- General construction	60,736	-	-	-	60,736	-	60,736
- ICT services	31	-	-	-	31	-	31
	60,767	2,385	2,823	30,992	96,967	(582)	96,385
RESULTS							
Operating (loss)/profit	(6,768)	(316)	(9,205)	(192)	(16,481)	(5,961)	(22,442)
Finance cost, net	(37)	(3)	(13)	(145)	(198)	-	(198)
(Loss)/Profit before tax	(6,805)	(319)	(9,218)	(337)	(16,679)	(5,961)	(22,640)
Taxation	(529)	-	-	27	(502)	-	(502)
Loss after tax	(7,334)	(319)	(9,218)	(310)	(17,181)	(5,961)	(23,142)
Minority interest	(808)	-	-	-	(808)	-	(808)
Net profit attributable to owners of the Company	(8,142)	(319)	(9,218)	(310)	(17,989)	(5,961)	(23,950)
ASSETS AND LIABILITIES							
Segment assets							
Consolidated total assets	79,446	-	5,355	15,681	100,482	(27,621)	72,861
Segment liabilities							
Consolidated total liabilities	48,947	-	13,350	8,809	71,106	(40,807)	30,299
OTHER INFORMATION							
Depreciation	277	226	722	1,559	2,784	-	2,784
Capital expenditure	226	-	4,240	5	4,471	-	4,471

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED
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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 DECEMBER 2020							
REVENUE							
External sales	-	28,212	2,550	38,672	69,434	(8,622)	60,812
RESULTS							
Operating (loss)/profit	(20,821)	774	(2,908)	1,209	(21,746)	18,695	(3,051)
Finance cost, net	(24)	(100)	(15)	(245)	(384)	34	(350)
(Loss)/Profit before tax	(20,845)	674	(2,923)	964	(22,130)	18,729	(3,401)
Taxation	(3)	-	-	(317)	(320)	-	(320)
(Loss)/Profit after tax	(20,848)	674	(2,923)	647	(22,450)	18,729	(3,721)
Minority interest	-	3	-	-	3	4	7
Net (loss)/profit attributable to owners of the Company	(20,848)	677	(2,923)	647	(22,447)	18,733	(3,714)
ASSETS AND LIABILITIES							
Segment assets							
Consolidated total assets	28,194	21,643	8,911	18,952	77,700	(11,766)	65,934
Segment liabilities							
Consolidated total liabilities	12,679	22,694	7,681	11,828	54,882	(31,459)	23,423
OTHER INFORMATION							
Depreciation	122	2,634	104	1,577	4,437	-	4,437
Capital expenditure	359	619	-	63	1,041	-	1,041

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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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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH 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	Preceding Year	%	Current Year	Preceding Year	%
	Quarter	Corresponding		To-Date	Corresponding	
	31 December 2021 RM'000	31 December 2020 RM'000		31 December 2021 RM'000	31 December 2020 RM'000	
Continuing operations						
Revenue:						
- Interconnect	7,023	9,649	-27.2%	33,815	41,222	-18.0%
- General construction	23,316	-		60,736	-	
- ICT services	31	-		31	-	
	<u>30,370</u>	<u>9,649</u>	214.7%	<u>94,582</u>	<u>41,222</u>	129.4%
Operating loss	(13,911)	(2,176)	-539.3%	(22,135)	(3,768)	-487.4%
Loss before tax	(13,872)	(2,210)	-527.7%	(22,330)	(4,018)	-455.7%
Loss after tax	(14,018)	(2,053)	-582.8%	(22,832)	(4,338)	-426.3%
Discontinued operations						
(Loss)/Profit from discontinued operations, net of tax	(103)	137	-175.2%	(310)	617	-150.2%
Loss for the period	<u>(14,121)</u>	<u>(1,916)</u>	637.0%	<u>(23,142)</u>	<u>(3,721)</u>	-521.9%
(Loss)/Profit attributable to owners of the company						
- from continuing operations	(14,375)	(2,052)	-600.5%	(23,640)	(4,334)	-445.5%
- from discontinued operations	(103)	137	-175.2%	(310)	620	-150.0%
	<u>(14,478)</u>	<u>(1,915)</u>	656.0%	<u>(23,950)</u>	<u>(3,714)</u>	-544.9%

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

USD:RM	4.1435	4.2017
RMB:RM	0.6236	0.6089

Current Year-To-Date vs Preceding Year Corresponding Quarter

Overall Review of Group's Financial Performance

For the current financial period ended 31 December 2021, the Group's revenue and loss before tax were RM94.6 million and RM22.3 million respectively compared to its preceding year's corresponding period's revenue and loss before tax of RM41.2 million and RM4.0 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 RM2.6 million, higher loss before tax was recorded mainly due to the one-off other expenses of RM20.5 million incurred in Interconnect segment arising from written off and impairment of debt as a result of disposal of China operation, development cost and fixed assets written off/impairment.

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.

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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 RM30.4 million and RM13.9 million respectively compared to its preceding year's corresponding period's revenue and loss before tax of RM9.6 million and RM2.2 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. Higher loss before tax was recorded mainly due to the one-off other expenses incurred in Interconnect segment arising from written off and impairment of debt as a result of disposal of China operation and development cost and fixed assets written off/impairment.

B2 COMPARISON WITH PRECEDING QUARTER'S RESULTS

	Current Quarter	Immediate Preceding Quarter	
	31 December	30 September	%
	2021	2021	
	RM'000	RM'000	
Continuing operations			
Revenue:			
- Interconnect	7,023	8,317	-15.6%
- General construction	23,316	15,027	55.2%
- ICT services	31	-	#DIV/0!
	<u>30,370</u>	<u>23,344</u>	<u>30.1%</u>
Operating loss	(13,911)	(7,467)	-86.3%
Loss before tax	(13,872)	(7,517)	-84.5%
Loss after tax	(14,018)	(7,560)	-85.4%
Discontinued operations			
(Loss)/Profit from discontinued			
operations, net of tax	(103)	37	378.4%
Loss for the period	<u>(14,121)</u>	<u>(7,523)</u>	<u>-87.7%</u>

In current quarter, the Group recorded a revenue of RM30.4 million and a loss before tax of RM13.9 million as compared to the revenue and loss before tax at RM23.3 million and RM7.5 million respectively for the preceding quarter ended 30 September 2021.

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B2 COMPARISON WITH PRECEDING QUARTER'S RESULTS (CONT'D)

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

Higher loss before tax was recorded mainly due to the one-off other expenses incurred in Interconnect segment arising from impairment of debt, development cost and fixed assets written off/impairment.

B3 PROSPECTS FOR THE FINANCIAL YEAR 2022

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 continuing worldwide port congestion 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. The fluctuation also affected our other material costs. All these have already affected and will continue to affect our operations and orders.

The Group started new business with the introduction of construction business in 2021. The Company believes that 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	
	31 December 2021 RM'000	31 December 2020 RM'000	31 December 2021 RM'000	31 December 2020 RM'000
Current taxation:				
Domestic	(238)	-	(529)	-
Foreign tax	143	121	139	(317)
	(95)	121	(390)	(317)
Deferred taxation	(51)	36	(112)	(3)
	(146)	157	(502)	(320)

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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.

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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)

As at 31 December 2021, the Company has completed the utilisation of proceeds. The status are as follows: -

Description	Proposed Utilisation RM'000	Revised Utilisation RM'000	Re-allocated Utilisation ⁽¹⁾ RM'000	Actual Utilisation as at 24 December 2021 RM'000	Balance RM'000	Intended Timeframe for Utilisation of Proceeds
Regional expansion	1,000.0	1,000.0	-	-	-	Completed
Product development	1,000.0	1,000.0	2,726.6	2,726.6	-	Completed
Working capital	477.0	726.6	-	-	-	Completed
Estimated expenses	190.0	94.9	94.9	94.9	-	Completed
Total	2,667.0	2,821.5	2,821.5	2,821.5	-	

Regional expansion and working capital expenses were re-allocated due to increased costs in Product development ⁽¹⁾.

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.

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**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.

	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><u>20,566</u></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><u>10,343</u></u>

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**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 31 DECEMBER 2021 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 DECEMBER 2020 RM'000	CURRENT YEAR TO-DATE 31 DECEMBER 2021 RM'000	PRECEDING YEAR CORRESPONDING YEAR 31 DECEMBER 2020 RM'000
Revenue	(42)	8,066	1,803	19,590
Cost of sales	(67)	(6,894)	(1,826)	(15,548)
Gross (loss)/profit	(109)	1,172	(23)	4,042
Other income	(4)	570	183	1,654
Administration expense	8	(1,237)	(392)	(4,225)
Distribution and selling expenses	2	(162)	(75)	(490)
Other expenses	-	(192)	-	(264)
(Loss)/Profit from operations	(103)	151	(307)	717
Finance costs, net	-	(14)	(3)	(100)
(Loss)/Profit before tax	(103)	137	(310)	617
Income tax expense	-	-	-	-
(Loss)/Profit for the period	(103)	137	(310)	617

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B10 LOSS PER SHARE (“LPS”)

(i) Basic LPS

The Basic loss per share amounts are calculated by dividing 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 31 December:

	Quarter Ended		Year to Date	
	31 December 2021 RM'000	31 December 2020 RM'000	31 December 2021 RM'000	31 December 2020 RM'000
Net loss attributable to shareholders				
- from continuing operations	(14,375)	(2,052)	(23,640)	(4,334)
- from discontinued operations	(103)	137	(310)	620
	<u>(14,478)</u>	<u>(1,915)</u>	<u>(23,950)</u>	<u>(3,714)</u>
Weighted average number of ordinary shares ('000 in units)	880,661	509,916	838,789	427,716
- from continuing operations	(1.63)	(0.40)	(2.82)	(1.01)
- from discontinued operations	(0.01)	0.03	(0.04)	0.14
Basic loss per share (sen)	(1.64)	(0.37)	(2.86)	(0.87)

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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	
	31 December 2021 RM'000	31 December 2020 RM'000	31 December 2021 RM'000	31 December 2020 RM'000
Net loss attributable to shareholders				
- from continuing operations	(14,375)	(2,052)	(23,640)	(4,334)
- from discontinued operations	(103)	137	(310)	620
	<u>(14,478)</u>	<u>(1,915)</u>	<u>(23,950)</u>	<u>(3,714)</u>
Weighted average number of shares ('000 in units)	880,661	509,916	838,789	427,716
Add assuming:				
Conversion of ICPS	*	*	*	198,928
Effect of dilution of unexercised Warrant-A	*	*	*	13,642
Effect of dilution of unexercised Warrant-B	*	*	*	8,205
	<u>880,661</u>	<u>509,916</u>	<u>838,789</u>	<u>648,491</u>
- from continuing operations	(1.63)	(0.40)	(2.82)	(0.67)
- from discontinued operations	(0.01)	0.03	(0.04)	0.10
Diluted loss per share (sen)	(1.64)	(0.37)	(2.86)	(0.57)

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

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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	
	31 December 2021 RM'000	31 December 2020 RM'000	31 December 2021 RM'000	31 December 2020 RM'000
Depreciation of plant and equipment	284	219	883	767
Depreciation of right-of-use assets	456	937	1,901	3,670
Gain on lease termination on lease liabilities	-	(12)	-	(12)
Gain on extinguishment of debt	(9)	-	(607)	-
Gain on disposal of plant and equipment	-	-	-	(8)
Loss on disposal of a subsidiary	-	-	6,028	-
Interest income	(21)	(10)	(119)	(76)
Addition of loss allowance on trade receivables	-	127	-	155
Addition of loss allowance on other receivables	6,132	-	6,188	-
Development cost written off	653	-	2,244	-
Loss on lease termination on right-of-use assets	-	11	-	11
Gain on foreign exchange - unrealised	(262)	(407)	(90)	(374)
Lease interest	59	171	184	445
Impairment loss on plant and equipmen	4,012	1	4,012	1
Impairment loss on prepayment	1,993	-	1,993	-
Remeasurement of imputed interest expenses/(income)	(83)	6	-	(11)

B12 AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issuance on 25 February 2022 by the Board in accordance with a resolution passed by the directors.

By Order of the Board

Yeo Wee Sun
Executive Director

25 February 2022