

WAJA KONSORTIUM BERHAD

**INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED
30 June 2022**

WAJA KONSORTIUM BERHAD
Company no. 200301016513 (618933-D)
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE
SECOND QUARTER ENDED 30 JUNE 2022**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30 June 2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 JUNE 2021 RM'000	CURRENT YEAR TO-DATE 30 June 2022 RM'000	PRECEDING YEAR CORRESPONDING YEAR 30 JUNE 2021 RM'000
Continuing operations					
Revenue	B1	15,136	21,514	26,349	40,868
Cost of sales		(13,003)	(18,989)	(23,449)	(35,788)
Gross profit		2,133	2,525	2,900	5,080
Other income		532	832	1,155	2,139
Administration expense		(2,779)	(2,739)	(5,579)	(5,108)
Distribution and selling expenses		(475)	(730)	(1,080)	(1,466)
Other expenses		(44)	(466)	(44)	(1,402)
Loss from operations		(633)	(578)	(2,648)	(757)
Finance costs, net		(32)	(121)	(75)	(184)
Loss before tax	B1	(665)	(699)	(2,723)	(941)
Income tax expense	B5	25	(231)	(62)	(313)
Loss from continuing operations		(640)	(930)	(2,785)	(1,254)
Discontinued operations					
Loss from discontinued operations, net of tax		-	64	-	(244)
Loss for the period		(640)	(866)	(2,785)	(1,498)
Other comprehensive income					
Foreign currency translation differences for foreign operation		(989)	93	290	1,021
Total comprehensive expenses for the year		(1,629)	(773)	(2,495)	(477)
Loss attributable to:					
Owners of the Company					
from continuing operations		(836)	(1,157)	(2,877)	(1,470)
from discontinued operations		-	64	-	(244)
		(836)	(1,093)	(2,877)	(1,714)
Non-controlling interests		196	227	92	216
		(640)	(866)	(2,785)	(1,498)
Total comprehensive (expenses)/ income attributable to:					
Owners of the Company					
from continuing operations		(1,825)	(1,064)	(2,587)	(449)
from discontinued operations		-	64	-	(244)
		(1,825)	(1,000)	(2,587)	(693)
Non-controlling interests		196	227	92	216
		(1,629)	(773)	(2,495)	(477)
Loss per ordinary share attributable to Owners of the Company					
Basic loss per ordinary share (sen)					
from continuing operations	B9 (i)	(0.09)	(0.14)	(0.31)	(0.19)
from discontinued operations	B9 (i)	-	0.01	-	(0.03)
		(0.09)	(0.13)	(0.31)	(0.22)
Diluted loss per ordinary share (sen)					
from continuing operations	B9 (ii)	(0.09)	(0.14)	(0.31)	(0.19)
from discontinued operations	B9 (ii)	-	0.01	-	(0.03)
		(0.09)	(0.13)	(0.31)	(0.22)

(The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial statements.)

WAJA KONSORTIUM BERHAD
Company no. 200301016513 (618933-D)
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE
SECOND QUARTER ENDED 30 JUNE 2022**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30 June 2022 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2021 (AUDITED) RM'000
Note		
ASSETS		
Non-current assets		
Plant and equipment	795	1,143
Right-of-use assets	2,269	2,847
Other investment	1,290	334
	<u>4,354</u>	<u>4,324</u>
Current assets		
Inventories	4,858	4,960
Contract assets	11,353	6,684
Trade receivables	23,152	35,496
Other receivables	4,492	1,452
Short term investment	448	4,824
Tax recoverable	-	162
Deposits, cash and bank balances	18,501	14,348
Total current assets	<u>62,804</u>	<u>67,926</u>
TOTAL ASSETS	<u>67,158</u>	<u>72,250</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	99,087	90,893
Fair value reserve	(1,080)	(1,080)
Foreign currency translation reserve	1,510	1,220
Accumulated losses	(53,133)	(50,256)
Equity attributable to owners of the Company	<u>46,384</u>	<u>40,777</u>
Non-controlling interests	1,267	1,175
TOTAL EQUITY	<u>47,651</u>	<u>41,952</u>
Non-current liabilities		
Lease liabilities	572	1,033
	<u>572</u>	<u>1,033</u>
Current liabilities		
Lease liabilities	1,273	1,768
Contract liabilities	107	245
Trade payables	13,404	21,435
Other payables	4,144	5,695
Tax payable	7	122
Total current liabilities	<u>18,935</u>	<u>29,265</u>
TOTAL LIABILITIES	<u>19,507</u>	<u>30,298</u>
TOTAL EQUITY AND LIABILITIES	<u>67,158</u>	<u>72,250</u>
Net assets per share (RM)	<u>0.05</u>	<u>0.05</u>

(The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial statements.)

WAJA KONSORTIUM BERHAD
Company no. 200301016513 (618933-D)
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE
SECOND QUARTER ENDED 30 JUNE 2022**

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 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	-	-	-	-	-	-	(1,714)	(1,714)	216	(1,498)
Other comprehensive (expenses)/income:										
Foreign currency translation differences for foreign operations	-	-	-	-	(51)	1,072	-	1,021	-	1,021
Total other comprehensive (expenses)/income	-	-	-	-	(51)	1,072	-	1,021	-	1,021
Total comprehensive (expenses)/income	-	-	-	-	(51)	1,072	(1,714)	(693)	216	(477)
Transactions with Owners of the Company										
Issuance of ordinary shares pursuant to:										
- conversion of ICPS	19,662	(4,973)	-	-	-	-	-	14,689	-	14,689
- exercise of Warrants-A	1,253	-	-	-	-	-	-	1,253	-	1,253
- exercise of Warrants-B	4,483	-	(1,846)	-	-	-	-	2,637	-	2,637
Arising from dilution of equity interest in subsidiary company	-	-	-	-	-	-	(2,024)	(2,024)	2,391	367
Effects on deferred tax asset on conversion of ICPS	-	(295)	-	-	-	-	-	(295)	-	(295)
Reclassification from ICPS liability component	-	1,372	-	-	-	-	-	1,372	-	1,372
Total transaction with Owners of the Company	25,398	(3,896)	(1,846)	-	-	-	(2,024)	17,632	2,391	20,023
At 30 June 2021	88,599	-	125	(1,080)	1,368	-	(27,525)	61,487	570	62,057
At 1 January 2022	90,893	-	-	(1,080)	1,220	-	(50,256)	40,777	1,175	41,952
Loss for the financial year	-	-	-	-	-	-	(2,877)	(2,877)	92	(2,785)
Other comprehensive income:										
Foreign currency translation differences for foreign operations	-	-	-	-	290	-	-	290	-	290
Total other comprehensive income	-	-	-	-	290	-	-	290	-	290
Total comprehensive income/(expenses)	-	-	-	-	290	-	(2,877)	(2,587)	92	(2,495)
Transactions with Owners of the Company										
Issuance of ordinary shares pursuant to:										
- placement	8,194	-	-	-	-	-	-	8,194	-	8,194
Total transaction with Owners of the Company	8,194	-	-	-	-	-	-	8,194	-	8,194
At 30 June 2022	99,087	-	-	(1,080)	1,510	-	(53,133)	46,384	1,267	47,651

(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 2021 and the accompanying explanatory notes attached to this interim financial statements.)

WAJA KONSORTIUM BERHAD
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**INTERIM FINANCIAL STATEMENTS FOR THE
SECOND QUARTER ENDED 30 JUNE 2022**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CURRENT YEAR-TO-DATE 30 June 2022 RM'000	PRECEDING YEAR CORRESPONDING CUMULATIVE PERIOD 30 JUNE 2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax		
- continuing operations	(2,723)	(941)
- discontinued operations	-	(244)
	<u>(2,723)</u>	<u>(1,185)</u>
<i>Adjustments for:</i>		
Depreciation of plant and equipment	75	339
Depreciation of right-of-use assets	953	1,018
Gain on extinguishment of debt	-	(593)
Gain on disposal of a subsidiary	-	(686)
Interest income	(24)	(65)
Addition of loss allowance on other receivables	-	702
Development cost written off	-	560
(Gain)/Loss on foreign exchange - unrealised	(224)	122
Loss on fair value in quoted shares	44	-
Lease interest	66	84
Remeasurement of imputed interest expenses	-	83
	<u>(1,833)</u>	<u>379</u>
Operating (loss)/profit before working capital changes		
Inventories	437	4,716
Receivables	5,281	(13,651)
Payables	(10,659)	(6,376)
	<u>(6,774)</u>	<u>(14,932)</u>
Cash used in operations		
Interest paid	(66)	(84)
Tax paid	(177)	131
	<u>(7,017)</u>	<u>(14,885)</u>
Net cash used in operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition in other investment	(1,000)	-
Interest received	24	65
Purchase of plant and equipment	-	(4,208)
	<u>(976)</u>	<u>(4,143)</u>
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares pursuant to conversion of ICPS	-	19,663
Proceeds from issue of shares upon exercise of warrants	-	3,890
Proceeds from issuance of ordinary shares pursuant to placement	8,194	-
Conversion of ICPS expenses	-	(4,973)
Repayment of lease liabilities	(1,016)	(837)
	<u>7,178</u>	<u>17,743</u>
Net cash generated from financing activities		
Net decrease in cash and cash equivalents	(815)	(1,285)
Effects of exchange rate changes	592	304
Cash and cash equivalents at beginning of financial year	19,172	23,371
Cash and cash equivalents at end of financial year	18,949	22,390
Cash and cash equivalents comprise the followings		
Short term investment	448	8,091
Cash on hand and at banks	18,450	14,248
Deposits with licensed bank	51	51
	<u>18,949</u>	<u>22,390</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 2021 and the accompanying explanatory notes attached to this interim financial statements.)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED
30 JUNE 2022

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 2021.

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 2021.

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.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED
30 JUNE 2022**

**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 896,074,148 to 985,134,148 by way of allotment and issuance of:

- 89,060,000 new ordinary shares arising from placement of up to 10% of the total number of issued shares.

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 end of the current quarter.

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.

WAJA KONSORTIUM BERHAD (“WAJA” or the “Company”)
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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED
30 JUNE 2022

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
30 JUNE 2022							
REVENUE							
External sales:							
- Interconnect	-	-	1,170	14,054	15,224	-	15,224
- General construction	10,987	-	-	-	10,987	-	10,987
- ICT services	138	-	-	-	138	-	138
	<u>11,125</u>	<u>-</u>	<u>1,170</u>	<u>14,054</u>	<u>26,349</u>	<u>-</u>	<u>26,349</u>
RESULTS							
Operating profit/(loss)	16,307	-	(41)	(603)	15,663	(18,311)	(2,648)
Finance cost, net	(29)	-	(5)	(41)	(75)	-	(75)
Profit/(Loss) before tax	<u>16,278</u>	<u>-</u>	<u>(46)</u>	<u>(644)</u>	<u>15,588</u>	<u>(18,311)</u>	<u>(2,723)</u>
Taxation	(59)	-	-	(3)	(62)	-	(62)
Profit/(Loss) after tax	<u>16,219</u>	<u>-</u>	<u>(46)</u>	<u>(647)</u>	<u>15,526</u>	<u>(18,311)</u>	<u>(2,785)</u>
Minority interest	(92)	-	-	-	(92)	-	(92)
Net profit/(loss) attributable to owners of the Company	<u>16,127</u>	<u>-</u>	<u>(46)</u>	<u>(647)</u>	<u>15,434</u>	<u>(18,311)</u>	<u>(2,877)</u>
ASSETS AND LIABILITIES							
Segment assets							
Consolidated total assets	<u>92,323</u>	<u>-</u>	<u>6,137</u>	<u>15,780</u>	<u>114,240</u>	<u>(47,082)</u>	<u>67,158</u>
Segment liabilities							
Consolidated total liabilities	<u>31,549</u>	<u>-</u>	<u>641</u>	<u>10,109</u>	<u>42,299</u>	<u>(22,792)</u>	<u>19,507</u>
OTHER INFORMATION							
Depreciation	206	-	48	774	1,028	-	1,028
Capital expenditure	-	-	-	-	-	-	-

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED
30 JUNE 2022

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
30 JUNE 2021							
REVENUE							
External sales:							
- Interconnect	-	2,421	1,073	17,402	20,896	(591)	20,305
- General construction	22,393	-	-	-	22,393	-	22,393
	<u>22,393</u>	<u>2,421</u>	<u>1,073</u>	<u>17,402</u>	<u>43,289</u>	<u>(591)</u>	<u>42,698</u>
RESULTS							
Operating (loss)/profit	(1,183)	(234)	10,436	1,208	10,227	(11,225)	(998)
Finance cost, net	(102)	(3)	(7)	(75)	(187)	-	(187)
(Loss)/Profit before tax	(1,285)	(237)	10,429	1,133	10,040	(11,225)	(1,185)
Taxation	(201)	-	-	(112)	(313)	-	(313)
(Loss)/Profit after tax	(1,486)	(237)	10,429	1,021	9,727	(11,225)	(1,498)
Minority interest	(217)	-	-	-	(217)	1	(216)
Net (loss)/profit attributable to owners of the Company	<u>(1,703)</u>	<u>(237)</u>	<u>10,429</u>	<u>1,021</u>	<u>9,510</u>	<u>(11,224)</u>	<u>(1,714)</u>
ASSETS AND LIABILITIES							
Segment assets							
Consolidated total assets	60,619	-	23,368	18,973	102,960	(26,541)	76,419
Segment liabilities							
Consolidated total liabilities	26,564	-	11,530	10,756	48,850	(34,488)	14,362
OTHER INFORMATION							
Depreciation	120	230	237	770	1,357	-	1,357
Capital expenditure	27	-	4,179	2	4,208	-	4,208

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Company No. 200301016513 (618933-D)
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED
30 JUNE 2022**

**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

There was no change in the composition of the Group during the financial year-to-date.

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WAJA KONSORTIUM BERHAD (“WAJA” or the “Company”)
Company No. 200301016513 (618933-D)
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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED
30 JUNE 2022

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 June 2022 RM'000	Preceding Year Corresponding Quarter 30 June 2021 RM'000	%	Current Year To-Date 30 June 2022 RM'000	Preceding Year Corresponding Period 30 June 2021 RM'000	%
Continuing operations						
Revenue:						
- Interconnect	8,658	9,131	-5.2%	15,224	18,475	-17.6%
- General construction	6,409	12,383	-48.2%	10,987	22,393	-50.9%
- ICT services	69	-		138	-	
	<u>15,136</u>	<u>21,514</u>	-29.6%	<u>26,349</u>	<u>40,868</u>	-35.5%
Operating loss	(633)	(578)	-9.5%	(2,648)	(757)	-249.8%
Loss before tax	(665)	(699)	4.9%	(2,723)	(941)	-189.4%
Loss after tax	(640)	(930)	31.2%	(2,785)	(1,254)	-122.1%
Discontinued operations						
Loss from discontinued operations, net of tax	-	64		-	(244)	
Loss for the period	<u>(640)</u>	<u>(866)</u>	26.1%	<u>(2,785)</u>	<u>(1,498)</u>	-85.9%
Loss attributable to owners of the company						
- from continuing operations	(836)	(1,157)	27.7%	(2,877)	(1,470)	-95.7%
- from discontinued operations	-	64		-	(244)	
	<u>(836)</u>	<u>(1,093)</u>	23.5%	<u>(2,877)</u>	<u>(1,714)</u>	-67.9%

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

USD:RM	4.2636	4.0965
RMB:RM	-	0.6331

Current Year-To-Date vs Preceding Year Corresponding Period

Overall Review of Group's Financial Performance

For the current financial period ended 30 June 2022, the Group's revenue and loss before tax were RM26.3 million and RM2.7 million respectively compared to its preceding year's corresponding period's revenue and loss before tax of RM40.9 million and RM0.9 million respectively.

Segmental Analysis

The revenue decreased in both General Construction and Interconnect Business. In General Construction Business, it was mainly due to the lower certified project cost in current period and the completion of an ad hoc construction project in last year. Whereas for Interconnect, it was because of reduction in USA segment due to worldwide shortage of key component. Higher loss before tax was recorded in tandem with reduction in sales and higher operating expenses.

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED
30 JUNE 2022**

**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 RM15.1 million and RM0.7 million respectively compared to its preceding year's corresponding period's revenue and loss before tax of RM21.5 million and RM0.7 million respectively.

Segmental Analysis

The revenue decreased in both General Construction and Interconnect Business. In General Construction Business, it was mainly due to the lower certified project cost in current quarter. Whereas for Interconnect, it was because of reduction in USA segment due to worldwide shortage of key component. Loss before tax was recorded in tandem with reduction in sales and offset by lower distribution expenses.

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

B2 COMPARISON WITH PRECEDING QUARTER'S RESULTS

	Current Quarter	Immediate Preceding Quarter	
	30 June	31 March	%
	2022	2022	
	RM'000	RM'000	
Continuing operations			
Revenue:			
- Interconnect	8,658	6,566	31.9%
- General construction	6,409	4,578	40.0%
- ICT services	69	69	0.0%
	15,136	11,213	35.0%
Operating loss	(633)	(2,015)	68.6%
Loss before tax	(665)	(2,058)	67.7%
Loss after tax	(640)	(2,145)	70.2%
Discontinued operations			
Loss from discontinued operations, net of tax			
	-	-	
Loss for the period	(640)	(2,145)	70.2%

In current quarter, the Group recorded a revenue of RM15.1 million and a loss before tax of RM0.7 million as compared to the revenue and loss before tax at RM11.2 million and RM2.1 million respectively for the preceding quarter ended 31 March 2022.

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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 (CONT'D)

The revenue increased in both General Construction and Interconnect Business.

Lower loss before tax was recorded in tandem with increase in sales.

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.

Nevertheless, the Company believes that construction business 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 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Current taxation:				
Domestic	28	(140)	(59)	(140)
Foreign tax	(3)	(30)	(3)	(112)
	25	(170)	(62)	(252)
Deferred taxation	-	(61)	-	(61)
	25	(231)	(62)	(313)

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**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF
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B6 STATUS OF CORPORATE PROPOSAL (CONT'D)

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. Subsequently, 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 and the proposed change of name effected on 28 July 2021.

The Board had on 29 April 2022 (“Price Fixing Date”), fixed the issue price at RM0.092 per Placement Share (“Issue Price”).

The Issue Price represented a discount of approximately 9.2% to the 5-day VWAMP of the Shares up to and including 28 April 2022, being the last full trading day immediately prior to the Price Fixing Date, of RM0.1013 per Share.

Subsequently on 17 May 2022, the Company had completed the Placement on the ACE Market of Bursa Malaysia Securities Berhad following the listing of and quotation for 89,060,000 Shares on the ACE Market of Bursa Securities.

The Company raised actual total gross proceeds of RM8,193,520 and the utilisation of which has been revised accordingly.

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B6 STATUS OF CORPORATE PROPOSAL (CONT'D)

Placement, Diversification, ESOS and Change of Name (“Proposals”) (Cont'd)

As at 23 August 2022, the status of utilisation of proceeds is as follow: -

Description	Proposed Utilisation RM'000	Revised Utilisation RM'000	Actual Utilisation as at 23 August 2022 RM'000	Balance RM'000	Intended Timeframe for Utilisation of Proceeds
Construction Business	43,459	3,519	-	3,519	Within 24 months
Working capital	3,152	3,152	3,152	-	Within 24 months
Estimated expenses	1,523	1,523	1,523	-	Completed
Total	48,134	8,194	4,675	3,519	

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.

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B9 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 30 June:

	Quarter Ended		Year to Date	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Net loss attributable to shareholders				
- from continuing operations	(836)	(1,157)	(2,877)	(1,470)
- from discontinued operations	-	64	-	(244)
	<u>(836)</u>	<u>(1,093)</u>	<u>(2,877)</u>	<u>(1,714)</u>
Weighted average number of ordinary shares ('000 in units)	896,074	844,225	926,089	788,389
- from continuing operations	(0.09)	(0.14)	(0.31)	(0.19)
- from discontinued operations	-	0.01	-	(0.03)
Basic loss per share (sen)	<u>(0.09)</u>	<u>(0.13)</u>	<u>(0.31)</u>	<u>(0.22)</u>

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B9 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 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Net loss attributable to shareholders				
- from continuing operations	(836)	(1,157)	(2,877)	(1,470)
- from discontinued operations	-	64	-	(244)
	<u>(836)</u>	<u>(1,093)</u>	<u>(2,877)</u>	<u>(1,714)</u>
Weighted average number of shares ('000 in units)	896,074	844,225	926,089	788,389
- from continuing operations	(0.09)	(0.14)	(0.31)	(0.19)
- from discontinued operations	-	0.01	-	(0.03)
Diluted loss per share (sen)	<u>(0.09)</u>	<u>(0.13)</u>	<u>(0.31)</u>	<u>(0.22)</u>

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B10 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 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Depreciation of plant and equipment	(196)	213	75	339
Depreciation of right-of-use assets	482	425	953	1,018
Gain on extinguishment of debt	-	(593)	-	(593)
Loss on disposal of a subsidiary	-	193	-	(686)
Interest income	(3)	(36)	(24)	(65)
Addition of loss allowance on other receivables	-	(87)	-	702
Development cost written off	-	560	-	560
(Gain)/Loss on foreign exchange - unrealised	(99)	(10)	(224)	122
Loss on fair value in quoted shares	44	-	44	-
Lease interest	30	29	66	84
Remeasurement of imputed interest expenses	-	83	-	83