

4. INFORMATION ON THE GROUP (Cont'd)

- (iv) Involvement in Industry Standardisation Committees, Trade Shows and Conferences and Active Consultations with Customers

The Group's commitment to R&D is further emphasised by its active participation in industry standardisation committees. Currently, CCHB Group, under RCI, is a member of the SATA and USB Standardisation Committees as well as active participants of SATA Slimline and USCAR (www.uscar.com) Committees. Standardisation committee panels are made up of industry or technology leaders in the US, such as qualified OEMs, ODMs and vendors of respective products. The role of industry standardisation committees include:-

- determine the overall application of a product;
- define the usability and mechanical constraints of a product;
- define the electrical, mechanical and environmental requirements for product performance;
- write a specification to control the abovesaid items; and
- legally control the manufacturers to conform to the standard.

Participation in standardisation committee exposes the group to the forefront of technology and allows greater access to market information and developments. In the future, the CCHB Group intends to enlarge its team of R&D engineers, as this will enable the Group to participate in more industry standardisation committees.

The Group aims to become committee members of the following industry standardisation committees:-

- PCI Express Standardisation Committee;
- Serial Attached SCSI Standardisation Committee; and
- JEDEC/EIA (Joint Electron Device Engineering Council) Standardisation Committee.

Apart from membership in industry standardisation committee, information and knowledge gathering, and updates of the latest technological developments are achieved via the following:-

- The R&D team regularly attends trade shows and actively participates in conferences such as Intel Developer's Forum, Windows Hardware Engineering Conference ("WINHEC"), COMDEX (a universal IT marketplace that unites technology buyers and sellers online and in person) and West Coast Connector Show and Conference ("WESCON").
- As the provider of value-added and custom products, the Group's R&D team regularly communicates and is involved in various discussions and consultations with the Group's customers. This enables the Group to obtain first hand information on the latest technological developments and updates in the respective industry. Such customers that are involved in cutting edge technology industries include HNS (broadband satellite telecommunication industry) and Seagate Technologies, LLC, USA (computer industry) amongst others.

4. INFORMATION ON THE GROUP (Cont'd)

(v) Future Plans

CCHB Group, among other things, is currently researching methods to optimise the flat ribbon and SATA cable assembly processes as well as new value-added SATA cable products. The Group also is in the process of introducing or has plans to introduce the following products in the future:-

- *SATA Interconnect Products For Set-Top Boxes*

The Group has supplied numerous value-add and custom cable assemblies to HNS and Thomson/RCA for use with their digital satellite receivers and recorders (i.e. set-top box) that are widely used in the US and managed by DirecTV and Tivo. Leveraging on its business relationship with these companies, the Group is in a unique position to capitalise on its strength in engineering by offering customised SATA cables for application in HNS and Thomson/RCA set-top boxes in the future.

According to the Overview of the World Connector Industry and SATA report dated 31 August 2005, by Bishop and Associates, Inc. prepared for inclusion in this Prospectus, "one of the growth areas in home entertainment is the emergence of HDTV. Often in the form of LCD (Light Colour Display) or Plasma displays, these units (for the most part) require a separate "Set Top Box" to decode the HDTV broadcast. Started by Tivo and Replay TV, the capability adds a desired enhancement to VCR-type recording and time shifting. Set top boxes have also been mentioned as the potential home gateway for internet and email services (also requiring a disk drive). With the expansion of broadband services, the always-on internet connection (accessed through a window on the HDTV monitor) will become commonplace as the internet becomes a part of our every day life. Whatever its final configuration, the odds are high that set top boxes will contain one or more SATA disk drives."

The Group has designed, prototyped, tested, manufactured and submitted samples to Thomson/RCA. The new product is currently being tested by Thomson/RCA for their next generation set top boxes.

- *Serial ATA Slimline Interconnects for small form factor I/O Devices*

The Group has been an active participant in the SATA Slimline Committee whose charter is to develop the specification for the next generation SATA cables and connectors for very small form factor I/O devices such as hard drives for portable products i.e. PDAs. The Slimline Standard is now in the final stages of approval and release to the Industry.

The Research team has been intimately involved in the mechanical portion of the Slimline Standard which includes the definition of the connectors and cables. This has afforded the Group to already complete preliminary designs of the products well ahead of the industry.

- *Serial Attached SCSI (Small Computer Systems Interface)*

The Group currently manufactures a line of flat ribbon and round cable SCSI products for the high-speed disk drive industry. The SCSI interface is typically required for video and high data-rate systems such as main frames and servers. As mentioned in Section 4.4.10, the standard SCSI is evolving into SAS. The Group will soon be joining the SAS Industry Standard Association with the intention of expanding its I/O cable and connector product lines.

4. INFORMATION ON THE GROUP (Cont'd)

- *High Density Interconnect and Cable Family*

The I/O (input/output) transmission speed is evolving and the industry standardisation committees are currently developing the next generation of copper-based, high-speed/high density interfaces. The standards include Infiniband (i.e. intel server architecture using a new high speed serial bus structure) and Fibre Channel (i.e. a serial data transfer architecture), complement to SATA and SAS I/O products. The Group plans to develop this new family because it includes a cable (the Group's significant strength), complements the current high-speed I/O products (i.e. SATA, SAS, and PCI Express) and will likely be defined as a programmable and customisable interconnect.

- *Mobile Phone/PDA Cable and PCB Connector*

Mobile products will continue to evolve and dominate the high-tech market. Cell phones, PDAs, data carriers and music players (i.e. iPod) will continue to require a sophisticated interconnection for downloading via hardwire. The dominant form of data transmission to/from these types of products will be wireless (radio frequency), however, a hardwire connection will remain as a fall back. Due to the trend of size reduction, a next generation miniature interconnect and cable will need to be developed. The Group plans to work together with some portable manufacturers to drive, develop, and potentially lead the standardisation of this product.

- *Advanced, Highly Durable USB Interconnects for the Automotive Industry*

A new USB committee was formed in May 2005 to address the need for a new USB specification specifically addressing the stringent mechanical, electrical, and environmental requirements of the USA automobile industry. The committee is identified by the acronym UScar. The Research team is actively involved in this committee leveraging it the Group's membership and experience with USB. The new products that this committee will specify will be installed in every automobile in the USA beginning in 2006. The Group plans to develop these products and actively participate in this new market segment.

(vi) R&D Expenditure

The amount of R&D expenditure spent for the last four (4) financial years ended 31 December 2001 to 2004 were as follows:-

	Financial Year Ended 31 December			
	2001	2002	2003	2004
Total R&D Expenses (RM'000)	700	1,267	839	626
Total R&D Expenses as a proportion of the Group's total revenue (%)	7	5	3	2

4. INFORMATION ON THE GROUP (Cont'd)**4.2.14 Interruptions in Business for the Past Twelve (12) Months**

No interruption in the form of trade disputes or major operational breakdown has been recorded within the Group that may significantly impair the Group's business performance during the past twelve (12) months. Outside disruption such as the Iraq war and SARS had no impact on the Group's performance.

4.2.15 Employees

As at 31 August 2005 (being the latest practicable date prior to the printing of the Prospectus), the total number of employees of the CCHB Group is 141 persons as illustrated below: -

Category	No. of Employees	Average Years in Service
Managerial and Professional	16	5.0
Technical and Supervisory	23	2.0
Clerical and related occupations (e.g. clerks, typist, stenographers, personal secretaries, etc)	15	3.0
Factory workers:		
(a) Skilled	40	1.5
(b) Unskilled	47	1.5
TOTAL	141	

The highly skilled and trained employees of the Group are one of the cornerstones of the Group's leadership in the value-added interconnect industry. The management declares that it is in good standing relationship with all of its employees. As of 31 August 2005 (being the latest practicable date prior to the printing of the Prospectus) the Group has not been involved with any material industrial disputes with any of its employees. The Group's employees are not members of any union.

CCHB Group provides technical and product specific training to its staff such as customer services, engineering, and quality control.

Customer Services Training

As the Group obtains knowledge in current technology, market trends, and industry standardization it passes it on to its staff by means of mini-seminars. This provides a unified awareness and synergy that directly affects the Group's ability to respond to its customer's needs. Additionally, customer service agents and sales staff participate in on-site customer seminars and symposiums in order to fully understand the customer's products as well as vendor policies and procedures. Such training is regularly extended to field representatives and distributors.

Engineering Training

The engineering team is constantly educating itself by subscribing to trade journals, design magazines, and industry newsletters. The engineering team then discusses current technology, materials, practices, methods, and tools that can positively impact their performance and abilities. The engineers that attend trade shows, conferences, and standardization committees then relate the papers, presentations, and documents obtained at these events. Engineers from Asia are flown to the US RCI office to receive personally assisted training in product design, CAD, automation technology, prototyping, manufacturing methodology, drafting, quality assurance procedures, and customer interaction procedures. Engineers also are assigned to work in the manufacturing environment to get hands-on experience with assembly practices and procedures. This hands-on experience gives them insight and awareness that can be employed when designing new product, tooling, or machinery.

4. INFORMATION ON THE GROUP (Cont'd)

Quality Engineers and Inspectors Training

Like the Customer Service staff the Quality staff also attends mini-seminars and in-house training workshops to keep abreast of the current quality control methodologies, management tools and programs. The Quality staff is trained on the established ISO 9000-based Quality Management procedures and Total Quality Management (TQM) programs. Statistical process control training is gradually employed internally for trend monitoring of product quality performances and for failure analysis. Quality Engineers are also trained on after-sale services such as customer complaint and non-conforming product management processes.

Such training is regularly extended to field representatives and distributors.

The Group also extends its product specific training to customers. In the US, RCI provides "Connector 101" training to its sales personnel which gives them a better appreciation of the manufacturing process, terminology and applications of the Group's products.

Enrolment to HRDF programme

CCSB contributes to the HRDF programme. Under the scheme, the company will get financial assistance as well as professional advice to identify and plan its training needs. The Company intends to avail itself to the many programmes the Human Resources Development Fund operates which are targeting at improving skill sets for the workforce at large.

Continuing education for employees

CCSB actively encourage its employees to upgrade themselves and has in place a scheme to co-opt payment for tuition and examination fees. Two of its employees have taken advantage of the scheme. One is currently undertaking a course leading to a degree in Business Administration to be conferred by the Open University, Malaysia and the other is pursuing a professional degree in Accounting to be awarded by the Association of Certified Accountants, U.K.

Another has applied for a programme conducted by Sirim Training Services Sdn Bhd leading to a Diploma in Quality Management.

4.2.16 Key Achievements, Milestones and Awards

Over the years, CCHB Group has made the following achievements:-

- In 2003, CCSB received a grant from Small and Medium Industries Development Corporation (SMIDEC) under the Industrial Technical Assistance Fund (ITAF 2) – Product and Process Improvement Scheme for its achievement in improving and upgrading of product, product design and processes for the Ultra ATA cable and connector.
- Between the year 2000 and 2003, the Group, under RCI and CCPL, have achieved Recognised Component certification from the UL, an independent organisation testing for public safety, for its wiring harnesses, connectors for use in data, signal, control and power applications, cord sets and power supply cords. This specifies that the components, which are intended for use in a UL-compliant end product, have demonstrated their compliance to the applicable UL specifications. The wiring harnesses have also achieved CSA certification.

4. INFORMATION ON THE GROUP (Cont'd)

- Additionally, CCSB and RCI have established the UL Follow-Up Service in 2000 and 2002 respectively which signifies that both companies have demonstrated their abilities as a manufacturer to produce components that comply with UL's requirements for use in a UL-compliant end-product, where the companies will be subjected to periodic examinations or product test during the follow-up period to ensure continued adherence to UL specification. Companies are only allowed to use the well-known registered Recognised Component Mark so long as the Follow-Up Service is in effect, to ensure public safety.
- CCSB achieved ISO 9001/2000 certification in September 2004.
- The United States Patent and Trademark Office in Washington, USA has allowed the Group's application for its SATA signal cable. The patent contains claims encompassing the Group's method of termination and assembly. The Group believes that SATA Cable manufacturers will likely attempt to copy this method of termination in order to achieve increased performance and lower manufacturing cost. The Group will strongly defend any attempts at infringement in order to retain its market share.

4.2.17 Modes of Marketing/Distributions/Sales

The objective of the CCHB Group's marketing strategy is to reach niche markets beyond the traditional PC industry efficiently and effectively and to achieve a worldwide coverage. Each mode of marketing is designed to enhance the Group's competitive edge. The Group plans to develop and enhance their marketing channels over the course of the next four years. At present, the Group's marketing mode is mainly conducted via rep and design-in channel.

4.2.17.1 Web Strategy

3D Cable Configurator

Since August 2001, the CCHB Group has invested time and resources to create a 3D Cable Configurator, a sales engineering tool that allows the CCHB Group's customers to create 3D custom cable solutions with the Group's components. The 3D Cable Configurator was completed in July 2003. Powered by PARTSPEC® (a source for pre-drawn mechanical and electrical parts and data), the 3D Cable Configurator is currently being distributed via CD's as well as ready to be accessed at www.rapidconn.com. The Group currently engages Thomas Register® to distribute 90,000 copies of the PartSpec CD comprising 3D Cable Configurator to a mixed customer base throughout the US.

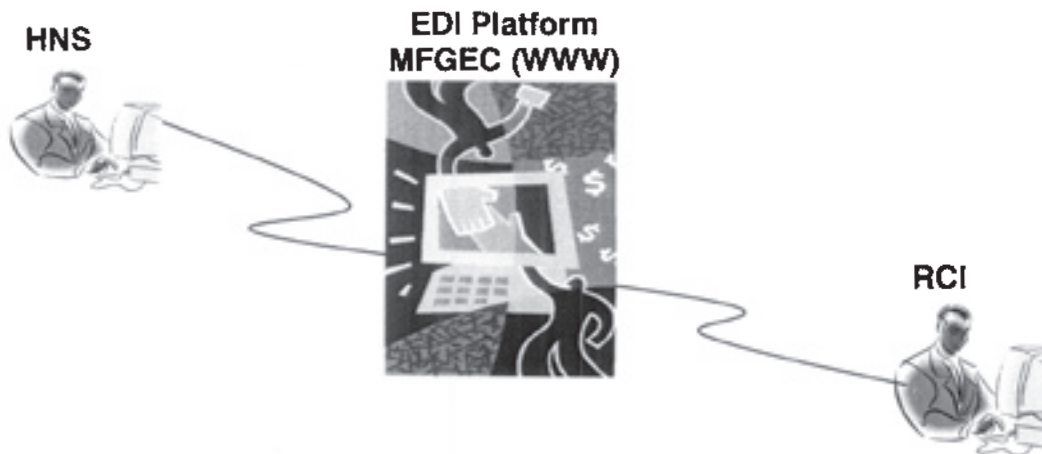
Thomas Register® powers ThomasNet a leading provider of Internet marketing solutions which helps suppliers grow their business online by driving qualified industrial traffic to their Websites, and converting that traffic into customers.

The 3D Cable Configurator is designed to speed up the time-to-manufacture and time-to-market by allowing users to design IDC and SATA signal cable assemblies within minutes. The online catalog gives customers real-time access to accurate 2D and 3D representations of the Group's components in the CAD format of their choice.

4. INFORMATION ON THE GROUP (Cont'd)

EDI & Data Sharing

The Group's objective with EDI is to establish a user-friendly, cost effective and efficient electronic business relationship with its customers whilst maintaining high data integrity and security. The Group's EDI integrated bar-coding solutions is provided by EDICT Systems, Inc. via www.MfgEC.com. EDICT Systems, Inc. is the wholly owned and subsidiary of Advant-e, U.S.A and is a provider of Business-to Business electronic commerce software and Internet-based applications that enable their customers to process business documents electronically, and to increase the return on their electronic commerce investment principally by maximizing the number of suppliers that process documents electronically.



RCI, exchanges via the EDI, purchase orders & confirmations, logistic data, forecasts and various other critical data from customers such as HNS and Mackie. This forms the base of a highly effective working relationship between the Group and its customers that is open for mutual growth.

Web as an Extension of Customer Service

The Group's official website www.rapidconn.com contains useful information about the Group, its products and services and other relevant information. The web content also acts as a resourceful databank for the group's reps, distribution partners and the Group's worldwide customer service personnel. The Group is currently working on automated Request for Quote ("RFQ") options via its Order on Line Catalogue. This feature will supplement the traditional fax and email based RFQ process and allows customers to directly link the product information to the automated RFQ.

4.2.17.2 Rep Channel Strategy

The Group has appointed sales and marketing representatives covering multiple states in the USA and Canada. The Group maintains high quality professional salesmanship through careful selection of qualified representative firms. These reps undergo regular training on the Group's product and services and are capable of identifying the customer profiles that meet the company's capabilities.

Reps are an essential part of the Group's value proposition as they participate in management and maintenance of auto-replenishments programs at the customer site, forecasting and first level technical assistance to the customers, to mention a few. The Group promotes such relationships heavily, as they are an essential part of CCHB Group's niche role with the customer.

4. INFORMATION ON THE GROUP (Cont'd)**4.2.17.3 Distribution Channel Strategy**

CCHB Group is currently enlarging its distribution channel to achieve a wider national and international coverage. The Group intends to establish partnerships with distributors that will support the customers' inventory management and forecasting. As the market that the Group is trying to cover is extremely large with geographical difficulties, the Group only selects technical-savvy distributors that can help the Group to discover projects that requires design-in/custom design solutions, thus resulting in demand creation. Presently, the Group engages 5 distributors covering several parts of USA and several countries in South East Asia.

CCHB Group's distributors in the US participate in local stocking and kitting programs thus adding strategic advantages over other localised manufacturers of cable and connectors. Distributors are also a source for identifying Design-In and custom product solution requirements of customers.

4.2.17.4 Design-In Partner and Solution Provider Strategy

The Group's customers are continuously driven to produce new and innovative products, or to re-design, or miniaturise or enhance existing products. CCHB Group's R&D team remains attune to the latest and upcoming technological and product developments by being active participants of selected product associations committees and international product development shows such as Intel Developer Forum and WINHEC. This serves as a value-add to customers as it allows the Group to integrate high standards of engineering knowledge into the customers' products.

4.2.18 Production/Operating Capacities and Output

The current capacity of the CCHB Group is as follows:

Product/Business Activity	Total Machines/Lines	Maximum Capacity per month ('000 pcs)
IDC connectors	1 line	48
Flat ribbon cables	3 lines	48
Static Discharge Shunt Connectors	2 lines	6.4
SATA Cable Connector Assemblies	1 line	36
SATA Cable Assemblies	1 line	24
SMT Line	2 line	170
USB Cable	1 line	156

The manufacturing of power cords, audio jacks, wire harnesses, USB cables, F-Cables as well as other cables such as keyboard, RTX and telco are carried out by certain qualified manufacturers in China, such as Jamer Industries Co. Ltd, Microconn Electronics Co. Ltd. and Aomeng Electricity Co. Ltd., details as set out in Section 4.6 of this Prospectus, whose production facilities and processes meet the Group's stringent quality control requirements. Currently, the Group has eleven (11) permanent quality inspectors seconded to key manufacturers' production facilities to ensure conformance to quality standards and processes and proper documentation. The manufacture of these products involves manual assemblies and semi-automatic techniques that are more cost effectively run in China.

4. INFORMATION ON THE GROUP (Cont'd)

4.2.19 Location of Business

(a) Production and Operating Facilities

Production is conducted by two of CCHB's subsidiaries, i.e. CCSB and RCI, whilst CCPL is a sales office and RCC is an International Procurement/Purchasing Office. The details of the locations are shown as follows:-

Subsidiary	Location	Description	Approximate Built-up area (Square feet)
CCSB	Lot 2-29, Jalan TTC 8, Taman Teknologi Cheng, 75250 Malacca	Factory building and office unit	12,000
RCI	19571 Pauling, Foothill Ranch, CA 92610-2606, USA ¹	Factory building and office unit	25,138
CCPL	2 Joo Chiat Road #03-1135, Joo Chiat Complex, Singapore 420002 ¹	Sales office	662
RCC	4 th Floor, Building #2-2 Tong Fu-Yu Industrial Zone, Aiqun Road, Shi Yan Town, Bao An District, Shenzhen China ¹	Factory building and office unit	22,450

Note:-

1. Rented premises.

(b) Principal Place of Business

The Group's principal place of business is located at Lot 2-29, Jalan TTC 8, Taman Teknologi Cheng, Malacca.

(c) Marketing and Distribution Network

The Group's marketing and distribution is mainly conducted by RCI to cater for the US market, and CCPL to cater for the South East Asian market.

4.3 SUBSIDIARIES

4.3.1 CCSB

(a) Background and History

CCSB was incorporated in Malaysia under the Companies Act, 1965 on 17 May 2000 as a private limited company under the name of Eagle Bay Sdn. Bhd. On 6 July 2000, it changed its name to CCSB where it remains to date and commenced its business in the same year.

CCSB operates from a rented factory with a built up area of approximately 12,000 sq ft located at Lot 2-29, Jalan TTC 8, Taman Teknologi Cheng, Malacca. CCSB has 67 employees as at 31 August 2005 (being the latest practicable date prior to the printing of the Prospectus).

4. INFORMATION ON THE GROUP (Cont'd)

On 11 July 2001, CCSB has received approval in its application for pioneer status by the MITI under the Promotion of Investments Act, 1986. The company has filed its application for Production Day Certificate under Section 7 of the aforesaid Act with MITI on 30 December 2003 and has received approval on 13 April 2004.

(b) Principal Activities and Products

The company is principally engaged in design, development, manufacturing, sales, marketing and services of cables, connectors and other related products and the provision of system-assembly/sub-assembly services.

CCSB has a Business Agreement with TEM to manufacture and supply cable assemblies to TEM for five (5) years from 25 November 2002.

CCSB has various machineries and equipment for the cable assembly operation. This includes:

- 2 units of AutoTerm machine (i.e. CCHB Group in-house IDC connector termination and cable assembly machine),
- 2 units of wire stripping and crimping machine,
- 1 unit of automatic wire cutting/stripping/twisting machine, and
- 3 units of vertical over-moulding machines.

CCSB also provides system-assembly/sub-assembly services for TEM. The company has a Business Agreement to assemble and supply PCBA to TEM. Among the SMT machineries owned by CCSB include:-

- 3 units of automatic screen printer;
- 6 units of high speed chip placer;
- 1 unit of high speed IC placer and matrix tray,
- 3 unit of PCB reflow oven; and
- 2 units of PCB loader.

Under its Inter-Company Technology Transfer Program, CCHB Group undertakes to transfer technology, automation, knowledge and know-how from its R&D centre in RCI in the US, to CCSB. The Group intends to establish a Development centre in CCSB by enlarging the current professional engineering team in CCSB. Several of its Malaysian engineering staff have undergone training onsite at RCI in the US. To date, CCHB Group has transferred two (2) AutoTerm machines from the US to Malaysia.

Presently, automation, product designing and development are all conducted by RCI. The automation and production is only transferred to CCSB when the technology is mature. For instance, machines newly designed by the Group are subjected to various testing, debugging and other tests by the R&D staff at RCI that could take more than a year. New products are also subject to various initial production runs to ensure that all teething or technical problems are detected before a commercial mass production may begin. The Group's future plan to establish a Development centre in Malaysia will enable it to accelerate this automation and manufacturing processes development stages.

4. INFORMATION ON THE GROUP (Cont'd)**(c) Substantial Shareholders**

CCSB is a wholly owned subsidiary company of CCHB.

The substantial shareholders of CCSB are as follows: -

Name	Direct Interest		Indirect Interest	
	No. of shares	(%)	No. of shares	(%)
CCHB	3,410,000	100.00	-	-
Chng Seng Chye	-	-	⁽¹⁾ 3,410,000	100.00
Ang Chuang Juay	-	-	⁽¹⁾ 3,410,000	100.00
Total	3,410,000	100.00		

Note: -

(1) Deemed interested by virtue of Section 6A of the Companies Act 1965 pursuant to their respective substantial interest in CCHB.

(d) Share Capital

The authorised share capital of CCSB is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each. The issued and paid up share capital is RM3,410,000 comprising of 3,410,000 ordinary shares of RM1.00 each.

The changes in CCSB's issued and paid up share capital since incorporation are as follows: -

Date Issued	No. of shares allotted	Par value (RM)	Consideration	Cumulative issued and paid up share capital (RM)
17.5.2000	2	1.00	Cash	2
26.6.2000	149,998	1.00	Cash	150,000
4.8.2000	550,000	1.00	Cash	700,000
26.9.2003	2,710,000	1.00	Cash	3,410,000

(e) Subsidiary/Associated Corporations

CCSB does not have any subsidiary or associated corporations.

4. INFORMATION ON THE GROUP (Cont'd)**4.3.2 CCPL****(a) Background and History**

CCPL was incorporated in Singapore under the Companies Act, Cap. 50 on 22 February 1994 as a private limited company under the name of NS Tech Electronics (S) Pte. Ltd. ("NTPL"). In May 2000, Ang Chuang Juay took over NTPL and subsequently renamed the company to CCPL in 28 June 2000. Prior to 2000, NTPL was a subsidiary of NTC, a company in which Ang Chuang Juay formerly had interest. NTC was a company incorporated in Taiwan and was involved in manufacturing and assembly of cables and connectors for electronic components, mainly catering for the OEM industry.

CCPL is located in a rented office in Blk 2, Joo Chiat Road, #03-1135 Joo Chiat Complex, Singapore 420002. CCPL has 4 employees as at 31 August 2005 (being the latest practicable date prior to the printing of the Prospectus).

(b) Principal Activities and Products

The company is principally engaged in trading and marketing of cables, connectors and related products.

(c) Substantial Shareholders

CCPL is a wholly-owned subsidiary company of CCHB.

The substantial shareholders of CCPL are as follows: -

Name	Direct Interest		Indirect Interest	
	No. of shares	(%)	No. of shares	(%)
CCHB	3,661,827	100.00	-	-
Chng Seng Chye	-	-	⁽¹⁾ 3,661,827	100.00
Ang Chuang Juay	-	-	⁽¹⁾ 3,661,827	100.00
Total	3,661,827	100.00		

Note: -

(1) Deemed interested by virtue of Section 6A of the Companies Act 1965 pursuant to their respective substantial interest in CCHB.

(d) Share Capital

The authorised share capital of CCPL is SGD5,000,000 comprising of 5,000,000 ordinary shares of SGD1.00 each. The issued and paid up share capital is SGD3,661,827 comprising of 3,661,827 ordinary shares of SGD1.00 each.

4. INFORMATION ON THE GROUP (Cont'd)

The changes in CCPL's issued and paid up share capital since incorporation are as follows: -

Date Issued	No. of shares allotted	Par value (SGD)	Consideration	Cumulative issued and paid up share capital (SGD)
22.2.1994	3	1.00	Cash	3
17.9.1994	29,997	1.00	Cash	30,000
2.6.2000	150,000	1.00	Cash	180,000
27.6.2000	120,000	1.00	Cash	300,000
31.7.2000	300,000	1.00	Cash	600,000
17.8.2000	150,000	1.00	Cash	750,000
18.8.2000	146,500	1.00	Cash	896,500
25.10.2000	150,000	1.00	Cash	1,046,500
30.5.2001	600,000	1.00	Cash	1,646,500
26.8.2002	800,000	1.00	Cash	2,446,500
30.6.2003	300,000	1.00	Cash	2,746,500
29.9.2003	25,448	1.00	Cash	2,771,948
30.9.2003	889,879	1.00	Cash	3,661,827

(e) Subsidiary/Associated Corporations

CCPL does not have any subsidiary or associated corporations.

4.3.3 RCI**(a) Background and History**

RCI was incorporated in the State of California, USA under the General Corporation Law of California on 5 September 2000 as a corporation. The company commenced its business in 2001.

RCI operates from a rented facility in California located at 19571 Pauling, Foothill Ranch CA 92610-2606, USA, which has total built up area of approximately 25,138 sq ft, of which 8,000 square feet of it is allocated to the production floor. RCI has 20 employees as at 31 August 2005 (being the latest practicable date prior to the printing of the Prospectus).

(b) Principal Activities and Products

The company is principally engaged in R&D, design, manufacture, sales, marketing and services of cables, connectors and related products.

RCI's manufacturing facility is currently equipped with the following major machineries:-

- 1 unit IDC connector termination and cable assembly machine (AutoTerm);
- 1 unit of IDC Rotary connector assembly machine,
- 1 unit SATA cable stripping machine;
- 1 unit SATA cable connector assembly machine;
- 1 unit ultrasonic welder;
- 1 unit SATA cable termination machine; and
- 1 unit of optical scanner.

4. INFORMATION ON THE GROUP (Cont'd)

As the Group's R&D centre, RCI is also equipped with the latest designing and software tools such as CAE and CAD. The R&D team also utilises development tools to carry out rapid prototyping, mechanical and structural analysis of small component parts using CosmosWorks software; mould flow analysis of injection moulded parts using MoldFlow Software, and solid modelling and part geometry definition using SolidWorks software.

(c) Substantial Shareholders

RCI is a wholly-owned subsidiary company of CCHB.

The substantial shareholders of RCI are as follows: -

Name	Direct Interest		Indirect Interest	
	No. of shares	(%)	No. of shares	(%)
CCHB	73,158	100.00	-	-
Chng Seng Chye	-	-	⁽¹⁾ 73,158	100.00
Ang Chuang Juay	-	-	⁽¹⁾ 73,158	100.00
Total	73,158	100.00		

Note: -

(1) Deemed interested by virtue of Section 6A of the Companies Act 1965 pursuant to their respective substantial interest in CCHB.

(d) Share Capital

The authorised share capital of RCI is 10,000,000 shares without par value. The issued and paid up share capital is USD731,580 comprising 73,158 shares without par value.

The changes in RCI's issued and paid up share capital since incorporation are as follows: -

Date issued	No. of shares allotted	Par value (USD)	Consideration	Cumulative issued and paid up share capital (USD)
2.4.2001	10,000	nil	Cash of USD100,000	100,000
26.9.2003	63,158	nil	Cash of USD 631,580	731,580

(e) Subsidiary/Associated Corporations

RCI does not have any subsidiary or associated corporations.

4. INFORMATION ON THE GROUP (Cont'd)**4.3.4 RCC****(a) Background and History**

RCC was set up in the People's Republic of China on 24 December 2004. The company has not commenced business pending receipt of approval from relevant authorities.

RCC will operate from a rented facility in Shenzhen, China which has a total built up area of approximately 22,450 sq ft. RCC has in place 49 employees as at 31 August 2005 (being the latest practicable date prior to the printing of the Prospectus).

(b) Principal Activities and Products

The Group's International Procurement/Purchasing Office for sales and marketing of cables, connectors and related products.

Currently awaiting approvals from the relevant authorities to commence operations.

(c) Substantial Shareholders

RCC is a wholly-owned subsidiary company of CCHB.

The substantial shareholders of RCC are as follows: -

Name	Direct Interest		Indirect Interest	
	Capital Invested (USD)	(%)	Capital Invested (USD)	(%)
CCHB	45,068	100.00	-	-
Chng Seng Chye	-	-	⁽¹⁾ 45,068	100.00
Ang Chuang Juay	-	-	⁽¹⁾ 45,068	100.00
Total	45,068	100.00		

Note: -

(1) Deemed interested by virtue of Section 6A of the Companies Act 1965 pursuant to their respective substantial interest in CCHB.

(d) Capital

The registered capital of RCC is USD300,000 of which USD45,068 has been invested.

The changes in RCC's capital invested since incorporation are as follows: -

Date of investment	Capital invested (USD)	Cumulative investment (USD)
4 March 2005	45,068	45,068

(e) Subsidiary/Associated Corporations

RCC does not have any subsidiary or associated corporations.

4. INFORMATION ON THE GROUP (Cont'd)

4.4 INDUSTRY OVERVIEW**4.4.1 Overview of the Malaysian Economy**

The Malaysian economy accelerated its growth momentum in the first half of 2004, after a strong take-off in 2003, and is expected to surpass earlier expectations with higher growth of 7% for the whole year. Positive signs of a firm economic recovery at the global front, particularly in the first six months as well as higher commodity prices, reinforced the 'feel-good' factor that contributed to further improvement in consumer and business sentiments. Growth has become more broad based with all sectors registering positive growth. Domestic demand, particularly private consumption, continued to sustain growth for five consecutive years, while private investment, which picked up in 2003, became more entrenched, resulting in a private sector led growth.

Malaysia's growth momentum continues into 2004 after recording a strong growth in 2003. Unlike 2003, when the global economy was affected by the war in Iraq and Severe Acute Respiratory Syndrome (SARS) the external environment in 2004 has improved markedly with upswing in the global electronics demand as well as favourable commodity prices. This enabled the Malaysian economy to expand steadily from 7.6% in the first quarter of 2004 to 8% in the second quarter, the highest since the third quarter of 2000.

The robust domestic economic activities, which supported growth in 2002 through to 2004, are further augmented by favourable external environment. Of significance, the domestic sector is buoyed by the expansion in private consumption and investment activities. The manufacturing sector registered a solid growth of 12.3% during the first half of 2004, while the services sector expanded strongly by 6.8% in the same period. With the Leading Index pointing towards further expansion in the second half of the year, both sectors are envisaged to contribute significantly to the economic growth. The build-up in international reserves arising from larger current account surplus and inflows of foreign capital continues to strengthen Malaysia's macroeconomic fundamentals. Given this favourable scenario, the Malaysian economy is set to surpass its earlier estimate of 6.0 - 6.5% and post a stronger growth of 7% in 2004 (2003: 5.3%).

This impressive growth performance in an environment of low inflation helps to generate additional employment and new business opportunities. Consequently, national income in current prices is envisaged to increase by 10.8% to RM411,794 million, with per capita income rising by 8.5% to reach RM16,098 (2003: RM14,838). Similarly, per capita income in terms of purchasing power parity is estimated to increase by 9.3% to USD10,163 (2003: USD9,295).

Domestic demand, led by the private sector, remains sturdy and contributes significantly to overall economic growth in 2004. As consumer sentiment remains positive and investor confidence gains momentum, domestic demand in real terms (excluding change in stocks) is expected to increase by 6.7% and contribute 6.1 percentage points to overall gross domestic product (GDP) growth (2003: 5.9%; 5.2 percentage points). The encouraging performance of the private sector is due, in part, to the Government's deliberate efforts over the years to stimulate a more vibrant and dynamic private sector by providing a better conducive business and investment environment for private sector initiatives to flourish.

4. INFORMATION ON THE GROUP (Cont'd)

The outlook for 2005 will generally remain favourable although global growth is expected to moderate on account of high oil prices, inflationary pressures, interest rate hikes and a probable slowdown in China's economy. The emergence of these risks, that became apparent in the second half of 2004 and are expected to continue into 2005, will have a larger impact on growth next year.

(Source: Economic Report 2004/2005)

4.4.2 Overview of the Global Economy

World output, projected to grow by 4.6% in 2004, is close to matching the strong global growth of 4.7% at the beginning of the new millennium, the highest in the last two decades. The global economy recovered from the adverse effects of the 11 September incident, which drove the world into recession in 2001, and the subsequent fallout from the Severe Acute Respiratory Syndrome (SARS) epidemic, as well as the war in Iraq to attain broad-based growth. This recovery was supported by the accommodative monetary and fiscal policies pursued by major economies, which revived confidence to fuel global growth.

The continued strengthening of the global economy is mainly driven by sustained consumption and export growth in the US and Japanese economies. Elsewhere, the vibrant economies in the Asia-Pacific region, in particular China and to a lesser extent India, further supported the strengthening of global growth. Amidst this optimistic development, world inflation continued to remain benign despite concerns over rising oil prices.

The gradual pick-up in world trade contributed in a big way towards global growth. World trade, which practically came to a standstill in 2001 (0.1%), slowly gained strength in subsequent years, supported by strong import demand from developing Asia, the transition economies and the US, to record a growth of 4.5% for 2003. World trade is projected to strengthen even further in 2004 at 6.8% as global growth becomes more broad based.

The growth momentum in the global economy in 2005 is expected to decelerate slightly as major economies tighten monetary policy to contain inflationary pressures. Concerns over the possibility of higher oil prices and the slowing down of China's economy are other factors that can dampen growth.

Notwithstanding these uncertainties, it is anticipated that the Fed would pursue a measured approach in raising interest rates. As for oil price hikes, the effort of the Organisation of the Petroleum Exporting Countries to raise supply to 26 million barrels per day effective 1 August 2004, will help contain the price increases. Against this backdrop, growth in the US is expected to moderate to 3.5%-4% (2004: 4.5%-4.7%), other emerging markets and developing economies at 5.9% (2004: 6%), while Japan is also expected to grow by 2.4% (2004: 4.5%). In contrast, recovery in the euro area is anticipated to strengthen further to post a real GDP growth of 2.3% (2004: 2%) with a gradual pick-up in domestic demand aided by favourable financing conditions. Overall, global growth is projected at 4.4% in 2005 (2004: 4.6%).

(Source: Economic Report 2004/2005)

4. INFORMATION ON THE GROUP (Cont'd)

4.4.3 Overview of the Malaysian Electrical and Electronics Industry

Developments in the Malaysian Electrical and Electronics Industry

The up trend in global demand for semiconductors pushed the output of electrical and electronics sharply by 24.4% during the first six months of 2004 (January-June 2003: 4.3%). In addition, greater outsourcing activities as well as software development helped to enhance the sector's growth. Within the group, output of semiconductors, accounting for more than one third of the total output of the manufacturing sector, increased sharply by 33.4% (January- June 2003: 7.8%). This was also reflected by the higher sales of semiconductors, which recorded 14.1% increase during the same period (January-June 2003: 6.9%). These strong increases were in line with the expansion of broadband infrastructure facilities in the ICT sector to support increasing demand for global supply network and back-office facilities. Given the importance of the semiconductor industry in terms of its contribution to GDP growth and exports, efforts are ongoing to further develop the industry, especially in advanced integrated circuits design and packaging.

Export earnings of electrical and electronics increased sharply by 17.4% during the first seven months of 2004 (January-July 2003: 1.9%). Higher export earnings were attributed to positive increases in all major sub-sectors such as semiconductors, electronic equipment and parts as well as electrical products. The moderation in export growth of semiconductors by 7.1% (January-July 2003: 26.1%) was partly due to base year effect. The semiconductor sub-sector, which gained from higher spending on ICT industry, has moved along the technology value chain and is now producing the latest generation of integrated circuits using advanced technologies in its packaging. Demand for Malaysia's semiconductors is expected to increase further as the book-to-bill (BTB) ratio of North America's electronics equipment industry has continued to stay above one point since October last year, as shown in *Chart 2.9*. The US remains the largest market, importing more than one-quarter of Malaysian-made semiconductors. As for electronic equipment and parts, a significant turnaround of 21.4% (January-July 2003: -11.1%), was achieved mainly due to higher exports of automatic data processing machines and parts as well as printed circuit boards. Similarly, value of electrical products recorded a substantial increase of 27.9% (January-July 2003: -6%), contributed by strong export earnings in industrial and commercial electrical products, machinery and equipment as well as consumer electrical products.

(Source: Economic Report, 2004/2005)

Outlook of the Malaysian Electrical and Electronics Industry

Output growth in 2005 is expected to be broad based with the manufacturing and services sectors remaining the growth drivers. The manufacturing sector is envisaged to expand strongly, propelled by strengthened domestic demand and sustained performance of the external sector. Overall production is expected to grow more than 10%, while exports at 11.3%. Buoyed by the upswing in the electronics market, electrical and electronics will continue to grow at a steady rate despite the overstated fears of an electronics slowdown.

(Source: Economic Report, 2004/2005)

4. INFORMATION ON THE GROUP (Cont'd)

4.4.4 Overview of the Information, Communication and Technology (ICT) Industry

Malaysia is well placed to benefit from the new wave of growth based within Information, Communication and Technology (ICT) sector. The relatively developed infrastructure and the conducive environment put in place during the Seventh Plan for the development of ICT have formed the foundation for Malaysia to leverage on the growth opportunities provided by the ICT.

During the Eighth Malaysia Plan, more concerted efforts will be undertaken to position Malaysia as a competitive knowledge-based economy, with ICT facilitating the development. As the knowledge-based economy requires new skills, competencies and broadband connections for advanced multimedia applications, emphasis will be given to human resource development and network infrastructure to enable Malaysians to benefit fully from rapid technological developments. The period under the Seventh Malaysian Plan (1996-2000) saw a rapid growth in ICT utilisation. Investments in ICT expanded at a rate of 9.2% per annum from RM3.8 billion in 1995 to RM5.9 billion in 2000. This was largely due to the increasing awareness of Malaysians to the importance of production, diffusion and utilisation of knowledge and information for improving competitiveness and overall economic performance. The provision of special incentives such as the abolition of sales tax on computers and components, and the granting of accelerated capital allowance for expenses on computers and other ICT equipment also assisted in increasing the usage of ICT.

(Source: The Eighth Malaysia Plan 2001-2005)

Internet and wireless technologies represented two of the fastest developing technologies in the telecommunications field. With the advancement of wireless technology, the Seventh Plan period saw new types of affordable access devices that were made available to access the Internet. These included the Wireless Application Protocol (WAP) devices such as mobile phones, hand-held devices and set-top boxes. Additionally, under the Eighth Malaysian Plan, to meet the increasing demand for ICT workers, efforts will be made to improve and expand ICT education. Among them will be to allow Internet access be made available to schools and for those in the rural areas where conventional means of access may be a problem, access will be provided by satellite communication, especially by the VSAT technology.

The thrust of the Government from 2001 onwards to 2005 will be to shift the growth strategy from one that is input-driven to one that is knowledge-driven in order to enhance potential output growth and accelerate structural transformation within the manufacturing and services sectors. ICT itself will be used as a key enabler to facilitate local companies to compete globally, especially in sectors such as banking and finance, logistics, manufacturing and key services. Investments will also be made to upgrade communications networks in line with technological advancements. For the same period, a total of RM5.2 billion will be allocated for ICT related programmes and projects.

(Source: The Eighth Malaysia Plan 2001-2005)

4. INFORMATION ON THE GROUP (Cont'd)

4.4.5 Overview of The Cables and Connector Industry

4.4.5.1 Performance of the Industry

The Last Ten Years (1994-2004)

The worldwide Electronic Connector Industry was USD19.5 billion in size in 1994. In the ten years since, the Industry has achieved a compound annual growth rate (CAGR) of 5.6% with worldwide sales of USD33.4 billion in 2004. The following table breaks out sales by geographic region in 1994 and 2004. During this period, the Asia Pacific region achieved double-digit sales growth.

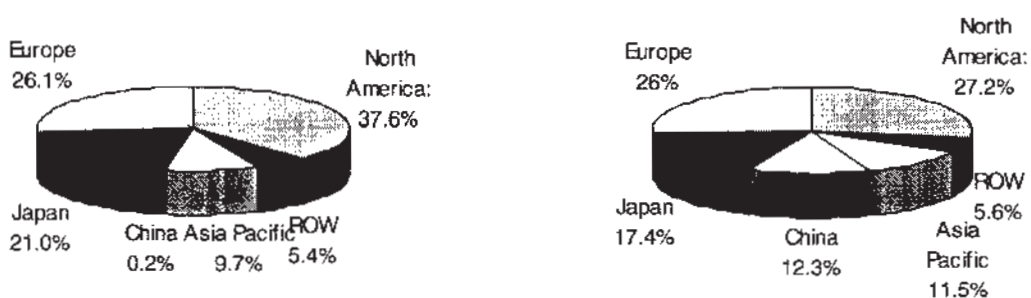
World Connector Industry Ten-Year Change

Region	1994 (USD 'billion)	Percent Total (%)	2004 (USD 'billion)	Percent Total (%)	Past 10 Year CAGR (%)
North America	7.325	37.6	9.088	27.2	2.2
Europe	5.085	26.1	8.680	26.0	5.5
Japan	4.085	21.0	5.802	17.4	3.6
China	0.035	0.2	4.119	12.3	n/a
Asia-Pacific	1.880	9.7	3.859	11.5	7.5
ROW	1.045	5.4	1.871	5.6	6.0
Total	19.455	100.0	33.419	100.0	5.6

Note: Bishop market statistics include the value of connectors only. Cable assemblies (cable value and labor to assemble), automotive wire harnesses, and printed circuit boards are excluded. I/O type cable assemblies would add USD5.5 - USD6.5 billion to the size of the connector market. Cable assemblies and wire harnesses are dependent upon the connector industry, and therefore, the forecast and trend of the cable assembly/wire harness industry is often directly proportional to the connector industry.

During the last decade, 1994-2004, only the Asia Pacific, China and ROW regions increased their share of the world connector market. This is a function of high economic growth in the Far East and particularly in emerging economies such as China. The following graphic shows the change in the connector world by geographic region. The Asia-Pacific market increased from 9.7% in 1994 to 11.5% in 2004. The North America market decreased from 37.6% in 1994 to 27.2% in 2004. The Japanese market declined to a 17.4% share in 2004 from 21.0% in 1994. Europe declined to 26.0% in 2004 from 26.1% in 1994. China grew from only 0.2% of the market in 1994, to 12.3% in 2004.

Change by Geographic Region 1994 vs. 2004



4. INFORMATION ON THE GROUP (Cont'd)The Last Five Years (1999-2004)

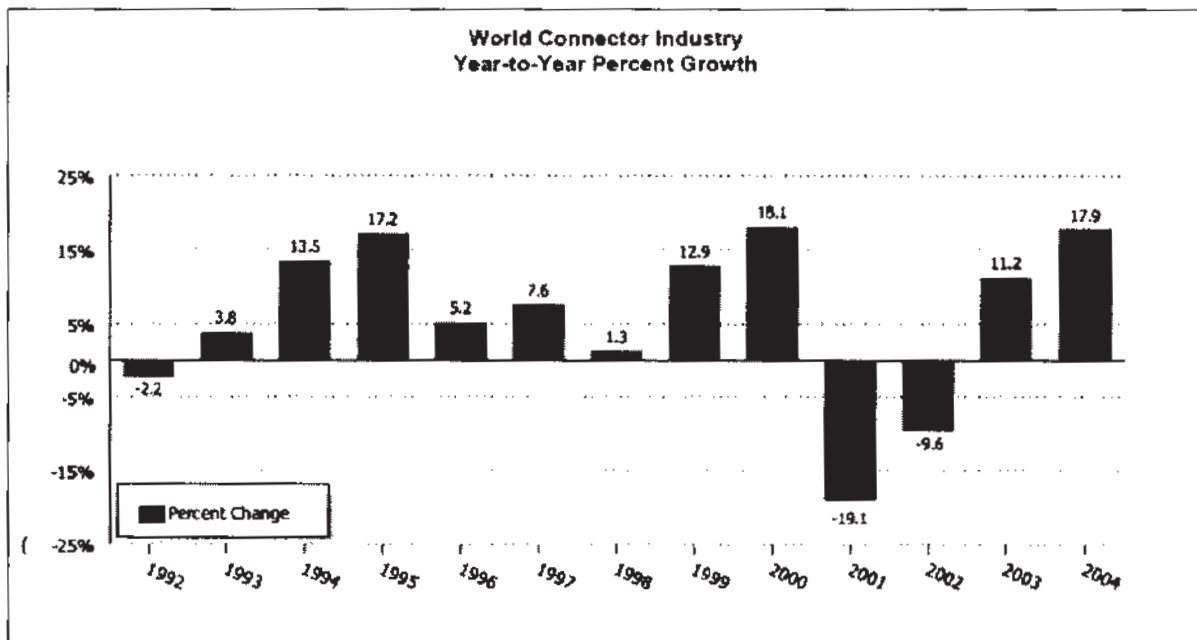
Sales increased an average of +2.5% for the five years 1999-2004. The U.S. was the only region to post a negative CAGR in the 1999-2004 period with an average decrease of -3.7%. China achieved double digit growth, averaging +30.5%. The following table splits the last ten years into five-year segments, providing sales growth statistics by geographic region.

Sales Growth by Region

Region	1994 (USD 'billion)	1999 (USD 'billion)	94/99 CAGR (%)	2004 (USD 'billion)	99/04 CAGR (%)
North America	7.325	10.952	8.4	9.088	-3.7
Europe	5.085	7.613	8.4	8.680	2.7
Japan	4.085	5.406	5.8	5.802	1.4
China	0.035	1.089	n/a	4.119	30.5
Asia-Pacific	1.880	2.927	9.3	3.859	5.7
ROW	1.045	1.535	8.0	1.871	4.0
Total	19.455	29.522	8.7	33.419	2.5

Note, twenty year historical sales growth for the industry is +7.0%, but 2001 and 2002 were down -19.1% and -9.6% respectively. These declines, the worst in industry history, significantly lowered industry CAGRs from normal levels. We fully expect the industry to return to a long term CAGR of around +7.0%.

The following graph shows the year-to-year change in sales for the world connector industry. 1994, 1995, 2000, 2003 and 2004 were outstanding years, with 2000 the best year in the connector industry since we have tracked sales statistics. In 2001, the industry experienced its worst sales decline in the 20 years since we began tracking the industry. 2002 continued in negative numbers and was recorded as the second worst year in the industry.



4. INFORMATION ON THE GROUP (Cont'd)Last Year - 2004

World connector sales demand increased +17.9% in 2004. This was the industry's second best year in history.

World Connector Market by Region

Region	2002 (USD Millions)	2003 (USD Millions)	Percent % Change (%)	2004 (USD Millions)	Percent % Change (%)
North America	8,284.0	8,239.0	-0.5	9,087.6	10.3
Europe	6,198.2	7,239.7	16.8	8,680.3	19.9
Japan	4,304.0	4,913.3	14.2	5,802.6	18.1
China	2,340.6	3,055.3	30.5	4,118.5	34.8
Asia-Pacific	2,911.8	3,312.7	13.8	3,859.3	16.5
ROW	1,454.0	1,591.9	9.5	1,870.6	17.5
Total	25,492.6	28,351.9	11.2	33,418.9	17.9

All regions of the world, achieved sales growth in 2004. North American sales increased +10.3% in 2004. European sales increased +19.9%, and China grew an astonishing +34.8% in 2004.

North America continued to be the largest connector region of the world. The Asia Pacific region and China continued to expand their share over all other regions of the world.

End Use Markets 2002 - 2004

The following provides a breakdown of connector sales by equipment sector. Medical Equipment, with a +26.0% increase in sales, posted the largest increase in 2004.

World Connector Market by Equipment Sector

Sector	2002 (USD Millions)	2003 (USD Millions)	% Change (%)	2004 (USD Millions)	% Change (%)
Computers & Peripherals	6,048.2	6,810.3	12.6	8,105.7	19.0
Business/Office Equipment	291.3	342.4	17.5	417.7	22.0
Instrumentation	503.3	577.4	14.7	695.4	20.4
Medical Equipment	557.1	650.9	16.8	820.1	26.0
Industrial	2,835.7	3,276.1	15.5	3,889.9	18.7
Automotive	6,543.7	7,393.5	13.0	8,537.6	15.5
Transportation (non-auto)	1,169.0	1,248.2	6.8	1,446.3	15.9
Military/Aerospace	1,750.7	1,988.1	13.6	2,329.2	17.2
Telecom/Datacom	3,652.2	3,494.9	-4.3	4,070.1	16.5
Consumer	1,043.2	1,244.5	19.3	1,522.8	22.4
Other	1,098.2	1,325.6	20.7	1,584.1	19.5
Total	25,492.6	28,351.9	11.2	33,418.9	17.9

Connectors are used in every type of equipment that requires the transmission of an electronic signal. Connectors are needed in computers, printers, airplanes, automobiles, televisions, VCRs, DVDs, trucks, buses, motorcycles, tanks, radios, game consoles, security systems, navigation systems, etc, etc. The list is almost endless, meaning there is a very large diversified customer base.

4. INFORMATION ON THE GROUP (Cont'd)

The following provides a breakdown of connector sales by end-use markets and geographic regions of the world.

2004 Connector Demand - End-Use Markets by Region

End-Use Equipment Category	North America (USD 'M)	Europe (USD 'M)	Japan (USD 'M)	China (USD 'M)	Asia Pacific (USD 'M)	ROW (USD 'M)	Total (USD 'M)
Computers & Peripherals	1,628.2	871.2	1,070.1	2,386.9	1,973.9	175.4	8,105.7
Business/Office Equipment	111.5	82.7	163.0	12.7	19.7	28.1	417.7
Instrumentation	324.9	176.7	118.7	20.6	23.9	30.6	695.4
Medical Equipment	287.4	317.7	132.3	20.3	25.5	36.9	820.1
Industrial	1,210.7	1,456.1	568.9	182.0	281.2	191.0	3,889.9
Automotive	2,154.8	2,923.3	1,955.1	361.3	695.7	447.4	8,537.6
Transportation (non-auto)	506.9	656.8	127.6	15.2	47.9	91.3	1,446.3
Military/Aerospace	1,207.2	648.6	211.6	36.8	121.4	103.6	2,329.2
Telecom/Datacom	1,016.4	905.6	538.8	873.7	304.2	431.4	4,070.1
Consumer	189.9	198.4	539.8	171.2	246.1	177.4	1,522.8
Other	449.7	443.2	376.7	37.8	119.8	156.9	1,584.1
Total	9,087.6	8,680.3	5,802.6	4,118.5	3,859.3	1,870.6	33,418.9

2005 Forecast by Geographic Region

The decline in connector sales ended in March, 2002. Since then business has been improving rapidly.

In our opinion, connector sales will increase in 2005 in the area of 5.0% - 6.0%.

There are a number of positive signs:

- Interest rates remain low worldwide.
- Inflation remains low in all geographic regions.
- Global consumer spending continues at reasonable levels.
- U.S. GDP is forecast to increase from 3.0% to 3.5% in 2005.
- Military spending continues to increase.
- Computers and peripherals are growing in the 8.0% to 10.0% range.
- Automotive sales are holding steady with increasing connector content on each vehicle sold.
- Medical electronics is growing double digits.

All in all, we believe the connector industry will achieve sales growth in 2005, and in the foreseeable future.

The following table provides our 2005 forecast by geographic region:

2005 Connector Forecast

Region of the World	2004 (USD ' Million)	2005E (USD ' Million)	Percent Change (%)
North America	9,087.6	9,366.2	3.1
Europe	8,680.3	9,122.1	5.1
Japan	5,802.6	6,109.4	5.3
China	4,118.5	4,738.9	15.1
Asia-Pacific	3,859.3	4,024.4	4.3
ROW	1,870.6	2,008.7	7.4
Total World	33,418.9	35,369.7	5.8

Five Year Forecast (2004-2009)

We believe world connector demand will grow in the 6%-7% range between 2004 and 2009. Over the past twenty years the connector industry has achieved a compound annual growth rate of 7%. After the two worst years in industry history, 2001 and 2002, we believe the industry will now return to a normal growth pattern.

4. INFORMATION ON THE GROUP (Cont'd)

The following table provides our five year forecast by geographic region.

2009 Connector Forecast

Region of the World	2004	2009E	2004/2009
			CAGR
North America	\$9,087.6	\$11,470.1	4.8%
Europe	\$8,680.3	\$11,302.9	5.4%
Japan	\$5,802.6	\$7,443.2	5.1%
China	\$4,118.5	\$7,957.6	14.1%
Asia-Pacific	\$3,859.3	\$5,020.7	5.4%
ROW	\$1,870.6	\$2,830.3	8.6%
Total World	\$33,418.9	\$46,024.8	6.6%

USD Millions

(Source: Overview of the World Connector Industry and SATA report dated 31 August 2005, prepared by Bishop & Associates, Inc. for inclusion in this prospectus)

4.4.6 Players and Competitive Environment

There are over 1,200 connector manufacturers worldwide. As mentioned in Section 3(n), these companies can generally be classified into three tiers.

Group 1: Large, global companies, with broad product lines, and sales, marketing, manufacturing and engineering capabilities in all geographic regions of the world. These companies have connector sales in excess of USD500 million annually. Twelve (12) connector companies have sales above USD 500 million.

Group 2: Medium size companies with two or three major product lines and sales of USD100-USD500 million annually. These companies are typically large in one geographic region, with some sales in all regions. There are twenty-eight (28) companies in group 2.

Group 3: Small manufacturers with one or two major product lines, and sales of less than USD100 million in one region of the world. There are over 1,000 connector companies in this group.

The industry is top heavy, with the top ten manufacturers accounting for 53% of world connector sales. For example, Tyco Electronics, formerly AMP, is 2.8 times larger than number 2, Molex, and 54 times larger than LEMO SA, the 42nd ranked connector company.

The following table identifies the top ten connector manufacturers and their sales in 2002 and 2003:

Top 10 Connector Manufacturers

2003 Rank	Manufacturer	2002 Sales	2003 Sales	Percent Change
1	Tyco Electronics Corp.	\$5,102.0	\$5,594.0	9.6%
2	Molex, Incorporated	\$1,788.5	\$1,965.0	9.9%
3	FCI Corp.	\$1,321.1	\$1,400.6	6.0%
4	Delphi Connection System	\$1,270.0	\$1,268.0	-0.2%
5	Amphenol Corp.	\$892.3	\$1,018.0	14.1%
6	Yazaki North America Inc.	\$843.1	\$894.9	6.1%
7	JST Corp	\$770.3	\$883.6	14.7%
8	Hirose Electric Co USA	\$642.3	\$747.5	16.4%
9	JAE Electronics Inc.	\$550.7	\$686.0	24.6%
10	Foxconn Logistics LLC	\$594.9	\$663.0	11.4%
	Total	\$13,775.2	\$15,120.6	9.8%

USD Millions

4. INFORMATION ON THE GROUP (Cont'd)

Four of the top ten are U.S. based, four are from Japan, one is European based, and one is Asia Pacific based.

Some of the companies in Group 2, USD100-USD500 million, are:

- ITT Industries Inc., Cannon
- Sumitomo Wiring Systems Ltd
- Hirose Electric USA Co
- Kyocera ELCO Corp. – Japan
- HARTING Technology Group – Germany
- SMK Corp – Japan
- Deutsch Connectors – U.S.
- Radiall SA– France
- Teradyne Connection Systems Inc– U.S.
- Samtec Inc – U.S.

Some of the companies in Group 3, < USD100 million, are:

- LEMO SA – Switzerland
- Trompeter Electronics Inc – U.S.
- Airborn Inc– U.S
- Mill-Max Mfg. Corp - U.S.
- Preci-Dip Durtal SA– Switzerland
- FCT Electronic GmbH– Germany
- ODU Steckverbindingssysteme GmbH & Co.KG– Germany
- Aries Electronics Inc. – U.S.
- EDAC Inc.– Canada
- RCI – U.S.

(Source: Overview of the World Connector Industry and SATA report dated 31 August 2005, by Bishop & Associates, Inc. for inclusion in this Prospectus)

4.4.7 Reliance on and Vulnerability to Imports

The connector industry in Malaysia, in particular the CCHB Group, faces competition from other local and overseas connector manufacturers. As mentioned in Section 4.4.6 above, there are over 1,200 connector manufacturers worldwide. The industry is top heavy with the top ten manufacturers, from the US, Japan, Europe and Asia Pacific, accounting for 53% of world connector sales.

However, the Group is a niche cable and connectors solution provider that focuses on customised and value-added cables and connectors. These attributes contribute towards differentiating the CCHB Group from other small and medium-sized cable and connector companies. In addition, as stated in Section 4.2.3, 99.9% of the sales of the Group are export sales.

For the financial year ended 31 December 2004, imports constituted an insignificant portion of CCHB Group's total purchases of raw materials. CCHB Group is not overly dependent on imports.

Thus far, the Groups has not experienced any shortages in the supply of raw cables and other raw materials.

4. INFORMATION ON THE GROUP (Cont'd)

4.4.8 Industry and Product Life Cycles

The connector industry could be described as mature. Some of the companies have been in business over fifty years. For example, the second largest company, Molex, is 68 years old. However, connectors have become very sophisticated in their electrical properties and their physical footprint i.e. very small with high pin counts. Product requirements such as high speed and high signal integrity places the connector industry on the leading edge of new technology. This ensures the industry of a long and profitable life cycle. Some product lines have a life cycle measured in several decades. For example, some military specified connectors are still being produced after 30 – 40 years. However, product life cycles have generally become much shorter in recent years because of the fast changing environments in the computer and telecom markets. These high technology environments often have electronic equipment life cycles of three years, or less. Each new generation of equipment creates the need for new, more sophisticated, interconnects, which replace connectors on the previous generation of electronic equipment. Conversely, there are a significant number of connector types that have longer life cycles. For instance, PATA, PCI, SATA, D-Sub, Mini-Din, are all examples of products that have, or will have, life cycles longer than three years. Other dynamic equipment markets also have shorter life cycles than in recent past. For example, automobiles have an increasing electronic content throughout, but particularly under the dashboard. Each platform change creates the need for new, smaller, faster, more sophisticated interconnects. The fast changing consumer electronic products is yet another area where product changes occurs frequently. These fast changing, high electronic content, environments quickly obsolete existing components, but create demand for improved interconnect solutions.

(Source: Overview of the World Connector Industry and SATA report dated 31 August 2005, by Bishop & Associates, Inc prepared for inclusion in this Prospectus.)

4.4.9 Capital or Labour Intensive

The connector industry has become highly automated in the areas of molding, stamping, plating, and assembly. In this regard, the industry is capital intensive, requiring state-of-the-art manufacturing equipment that produces high quality parts very efficiently.

Conversely, there are also labour intensive areas such as application of connectors on equipment and assembly of connectors to cable. These functions are generally conducted in low labour cost areas such as Mexico, Eastern Europe, or China.

(Source: Overview of the World Connector Industry and SATA report dated 31 August 2005, by Bishop & Associates, Inc prepared for inclusion in this Prospectus.)

4.4.10 New Product – Industry Standard SATA

CCHB Group is currently embarking on a new project to produce a range of ISP for SATA. SATA is a storage interface specification for the next generation computing platform and is a replacement for today's parallel ATA physical storage interface.

4. INFORMATION ON THE GROUP (Cont'd)

Background of SATA Technology and Its Benefits

The computer industry recognised the need to develop a higher speed connection between the disk drives and the PC motherboard. Until now, the transfer of data between the motherboard and the PC disk drive was handled using relatively low speed, parallel data over ribbon cables. The ribbon cables were wide and bulky and often blocked efficient airflow in the PC chassis. Parallel paths were subject to cross talk and other interference. To address the need, the SATA working group was formed. The SATA working group includes APT Technologies Inc., Dell Computer Corporation, International Business Machines, Intel Corporation, Maxtor Corporation, Quantum Corporation, and Seagate Technology. These leaders in the Disk Drive and PC hardware arena chose a high speed serial link to provide a solution that not only meets today's need for high speed data transfer, but provides the ability for even higher speeds in the future.

The selection of high speed serial technology was the latest in a number of moves to serial. IEEE 1394 and USB are high speed serial I/O technologies which found favor with the PC community. Both were considered as candidates for the SATA interface, but it was determined that a unique interface would better serve the internal cable requirements of the disk drive to motherboard connection. The SATA specification established a transfer medium that could handle data rates of 1.5Gbps, with a capability to twice double that (as the need arose) up to an eventual 6 Gbps. It was determined that the selected serial path would be employed, yielding several benefits. These included:-

- Less obstruction of cooling air flow,
- Higher transfer rates,
- Lower signalling voltage, and
- Reduced pin count.

The latest ATA i.e., Ultra ATA 100 with a max burst data transfer rate of 100Mbps was an improvement from the first ATA drives that ran at 3Mbps, but it was also at the limit of the capability of the existing architecture. SATA could run at 1.5 Gbps and solve some problems that existed with parallel ATA. By comparison, SATA offers reduced voltage requirements, lower pin count and thin cables, one meter cable length and improved data robustness.

Furthermore, the move to this new technology would be as seamless as possible. That is, it would be software compatible, operating system ("OS") transparent and would use the same software drivers, requiring no change to the OS.

(Source: Overview of the World Connector Industry and SATA report dated 31 August 2005, by Bishop & Associates, Inc prepared for inclusion in this Prospectus.)

SATA is an evolutionary replacement for the PATA physical storage interface. SATA is scalable and allows for enhancements to the computing platform, which include easier integration, faster performance, and more efficient design. Adoption of the Serial ATA specification provides low cost storage for the industry, improved speed and bandwidth, and serves as an evolutionary replacement for the PATA interface. End users will benefit by being able to easily upgrade their storage devices. Configuration of SATA devices will be much simpler, with many of today's requirements on jumper and settings no longer needed. *(Source: <http://www.sata-io.org/faqs.asp>, information extracted on 31 August 2005)*

Timeline of SATA Events

The SATA working group was established in February 2000 to define the new disk attachment technology to supersede the PATA interface. The group released the 1.0 specification (SATA 1.0) in August 2001. Version 1.0 of any new specification is a key milestone in the development process, signalling that all major formats and interfaces are defined. Disk drives adhering to SATA 1.0 specifications began to appear in 2002. It is forecast that all PC drives will be SATA by mid 2006.

4. INFORMATION ON THE GROUP (Cont'd)

As with most PC-based technologies, the ramp really begins in earnest when the chipsets (a set of two integrated circuits that interface the CPU to memory, graphics processors and I/O devices) and operating system leaders (such as Intel, Via Technologies and Microsoft) offer native support of the new offerings. In the case of SATA, the operating system required no change, so that allowed the hardware drivers in the chipset to proceed quickly.

In early 2003, Intel released a SATA chipset, the 865G, with an I/O controller hub (ICH5) that had native support for two SATA ports. Via Technologies also released a SATA chipset, the VT8237, with support for two SATA ports.

The SATA II working group was formed in February 2002 to develop the necessary enhancements to the SATA 1.0 specification to address the server and networked storage requirements. In October 2002, the working group released SATA II, which is an extension to SATA 1.0. It is forecasted that all PC drives will be SATA by 2005.

(Source: Overview of the World Connector Industry and SATA report dated 31 August 2005, by Bishop & Associates, Inc prepared for inclusion in this Prospectus.)

SATA Application

Initially the application of SATA will be in the PC space, however, the move to SATA will be across the board to all systems that presently use ATA drives. Two large users will be the "Set Top Box" and "Games Console" OEMs.

Games console such as Microsoft X-Box and Playstation 2 both have disk drives (either DVD or HDD) that will be moving to a SATA interface. These consoles are scheduled to be replaced in the not too distant future and their successors will be SATA based.

Set-top boxes could be a major user of SATA as these devices will add Digital Video Recorder ("DVR") features to record programs, provide instant replay of programs being watched, etc. much like Tivo and ReplayTV.

With the flexibility offered by the various connector configurations, the need for cables associated with set top box and game console products will depend upon the design of the units.

(Source: Overview of the World Connector Industry and SATA report dated 31 August 2005, by Bishop & Associates, Inc prepared for inclusion in this Prospectus.)

SATA performance will also attract new applications in the enterprise network arena. Presently SCSI (Small Computer System Interface) drives dominates the enterprise, however the higher speed, more reliable SATA drives could begin to erode SCSI sales. The SCSI industry group has recognised the threat and has adopted a Serial Attached SCSI ("SAS") specification that actually shares some specifications with SATA. The appearance of lower cost ATA based RAID (Random Array of Independent Disk) storage systems will increase with the emergence of SATA and many experts predict that they will, to some degree, supplant both higher cost SCSI RAID storage systems and tape drives. The ability to back up on a file-by-file basis for a faster restore capability is an attractive option for IT managers.

This means that the technology developed for SATA has direct application for all HDD technologies. The adoption and application of SATA technology creates a large market opportunity for component manufacturers in electronic equipment markets such as PCs, servers, workstations, game consoles, set top boxes, etc., storage systems, and storage back up systems.

(Source: Overview of the World Connector Industry and SATA report dated 31 August 2005, by Bishop & Associates, Inc prepared for inclusion in this Prospectus.)

4. INFORMATION ON THE GROUP (Cont'd)

Future of SATA

SATA replaces a technology that has been around for twenty years. The SATA working group had as one of its objectives a technology that had similar life expectancy. It was for this very reason that multiple speed increments were identified at the start. As technology moves forward and the need for bandwidth intensifies, SATA will be there to meet that need. While SATA was developed specifically to address a problem in the speed of data transfer in the PC, its application will be widespread in both the computer and consumer marketplaces. Applications in the other computer arenas such as storage, networking and enterprise computing have already been explored, but there are new and existing applications in the consumer space.

One of the growth areas in home entertainment is the emergence of High Definition TV ("HDTV"). Often in the form of LCD or Plasma displays, these units (for the most part) require a separate "Set Top Box" to decode the HDTV broadcast. As the name suggests, this is a box that contains the necessary electronics to accommodate HDTV and has been targeted to be the location for disk drives used for digital video recorders (DVRs). DVRs, which allow for recording, pausing and instant replay of live broadcasts, are a feature that is finding its way onto the wish list of many families.

Started by Tivo and Replay TV, the capability adds a desired enhancement to VCR-type recording and time shifting. Set top boxes have also been mentioned as the potential home gateway for internet and email services (also requiring a disk drive). With the expansion of broadband services, the always-on internet connection (accessed through a window on the HDTV monitor) will become commonplace as the internet becomes a part of our every day life. Whatever its final configuration, the odds are high that set top boxes will contain one or more SATA disk drives.

The new, quieter SATA drives could also find their way into Digital Video camcorders, with all kinds of possibilities for creative applications.

The automobile with navigation systems and in car entertainment and information systems has potential for numerous SATA applications, as well.

So while the existing SATA market for cable assemblies and connectors is significant, the growth possibilities add to the potential of this technology.

(Source: Overview of the World Connector Industry and SATA report dated 31 August 2005, by Bishop & Associates, Inc prepared for inclusion in this Prospectus.)

SATA Marketplace and Other Competitors

Many of the top tier-one connector suppliers are involved in SATA, from connectors to cable assemblies. These tier-one connector companies primarily source their product for this marketplace from factories in China. This was required in order to remain competitive with the growing number of Chinese manufacturers. Even though all of the tier-one connector companies have facilities in China, they do not build everything in-house. Tier-one manufacturers are frequently employing the services of others to manufacture their products, which is known as private labelling.

The SATA marketplace will draw many companies because of the newness and size. Most connector and cable manufacturer will concentrate on the standard products as can be seen in the initial offerings of the tier one connector companies, but more profitable "specials" will also appear as companies accommodate the needs of individual OEM and ODM packaging peculiarities.

SATA is an industry shift that is expected to have a life of at least 10 years.

(Source: Overview of the World Connector Industry and SATA report dated 31 August 2005, by Bishop & Associates, Inc prepared for inclusion in this Prospectus.)

4. INFORMATION ON THE GROUP (Cont'd)

4.4.11 Substitute Products

Impact of Fibre Optic Interconnects on Copper Based Input/Output Technology Interconnects

Much has been written in favour of fibre optics over copper-based cables and how with the advent of fibre optics, copper based cables will eventually lose its market share. It is undeniable that over time, fibre optics will become the standard cabling solution preferred by high-speed customers. When this happens, the whole connector industry will shift. Nevertheless, it is still not evident when fibre will replace copper. There is also a huge existing infrastructure for copper based products that not many are anxious to replace.

(Source: The management of CCHB)

According to Bishop and Associates, Inc., fibre optic Interconnects are the media of choice for medium and long haul transmission (i.e. lengths greater 10 meters), and are being supported by several industry standards. They are still not economically viable for most short run applications at this point (i.e. lengths less than 10 meters). Work continues in the development of a fibre optic backplane (i.e. non-copper based printed circuit board), but copper backplanes are expected to remain dominant for at least the next 8 to 10 years. Hybrid optic backplanes will likely be utilised initially as the need for a limited number of very high-speed signals evolve.

The move toward high speed serial standards is important. This includes IEEE 1394, USB 2.0, PCI-X, Serial ATA, Infiniband and others. The trend is to serialize high speed circuits to :-

- a) reduce cost and complexity of wiring,
- b) allow retention of FR4 PCBs,
- c) provide fewer, wider contacts in high speed serial connectors,
- d) and delay the time when fiber optics will be required inside the box.

It now appears as though 10Gbps not 100's of Mbs is possible with conventional Copper circuits buttressed by new signal conditioning ICs.

Impact of Other High Speed Serial Input/Output ("I/O") Interface on SATA

Apart from SATA, high-speed serial I/O interfaces such as IEEE 1394 (FireWire), USB 2.0, PCI-Express and InfiniBand also address the industry's need for higher speed, lower cost interfaces in smaller envelopes. However, these serial interfaces will co-exist with SATA interface and not replace it.

IEEE 1394 is a high-speed external bus standard whose technology was originally developed by Apple, using the trademark name FireWire. USB 2.0 is the next generation USB external bus standard that supports high data transfer rates as well. Both IEEE 1394 and USB 2.0 cables are external Interconnects for data transmission for instance, to external hard drives, external CD-ROM/CD-RW, external modems, printers and digital cameras. Serial ATA on the other hand is predominantly internal Interconnects for the hard disk and other internal storage devices. However, SATA is a new technology that may evolve further to overtake IEEE 1394 and USB as external I/Os. PCI ("Peripheral Component Interconnect") Express is a local bus that is a means for connecting add-on printed circuit cards or adaptors to the motherboards, which will never impinge upon SATA. InfiniBand is both an I/O architecture and a specification for the transmission of data between processors and I/O devices that has been gradually replacing the PCI bus in high-end servers and mainframes. It is specifically applied for Internet servers and will not effect SATA.

(Source: The management of CCHB)

4. INFORMATION ON THE GROUP (Cont'd)

4.4.12 Prospects and Outlook of the Connector Industry

Between 2004 and 2009, the world connector demand is projected to grow in the 6% to 7% region. Over the past twenty years, the connector industry has achieved a CAGR of 6.6%. After the two worst years in the industry's history, 2001 and 2002, the industry is now projected to return to normal growth patterns.

(Source: Overview of the World Connector Industry and SATA report dated 31 August 2005, by Bishop & Associates, Inc prepared for inclusion in this Prospectus.)

The connector industry will also be influenced by several business trends which include (but not limited to):-

- *Manufacturing shift to China*

Electronic production in China is estimated to exceed the amount produced in all of Western Europe by 2005 or 2006. The long-term influence on the U.S. and European economies is uncertain, but it will most likely be long lasting and profound. In response, connector companies have established manufacturing facilities throughout China. The benefits are lower manufacturing costs, having facilities close to the end user, and access to 1.5 billion consumers.

- *Global outsourcing*

An increasing number of OEMs are "handing off" their manufacturing to contract electronic manufacturers ("CEM"). In turn, the CEMs have rapidly moved to China, chasing the abundant low cost labour supply. These actions have important ramifications to component suppliers in such areas as design and manufacturing location, price negotiation, and logistics.

- *Price erosion*

It is generally believed that connector prices decline 3-5% per year on average. However, until demand for electronic equipment increases, the industry will see price reductions in excess of the norm.

- *Maturing of key markets*

This appears to be happening in desktop PCs – unless Microsoft and/or Intel have a new trick up their sleeves. Industry consolidation is also underway (HP-Compaq, IBM-Hitachi).

- *Continued industry standardisation*

Industry standardisation is a continuing trend as it promotes multiple sourcing, and customers like open standards. This allows anyone to buy in without having done the original homework that created the standard in the first place. Standards are favourable for OEMs, but they tend to bring component prices down to minimums.

- *High Speed Serial Circuits*

The move towards high speed serial standards is important. This includes IEEE 1394, USB 2.0, PCI Express, SATA, Infiniband (refer 4.4.11 above) and others. The trend is to reduce cost and complexity of wiring as well as delay the time when fibre optics will be required inside the box as the conventional copper circuits buttressed by new signal conditioning ICs appears to be able to handle speed transmissions of 10Gbps instead of 100 Mbps.

4. INFORMATION ON THE GROUP (Cont'd)

- *War on Terrorism*

The wars in Afghanistan and Iraq, terrorist bombings and the increased cost of security at airports and other public gathering places has had a significant damping effect on global business conditions. These areas of conflict appear to be long-term issues that will have an on-going negative impact on growth in the business sector.

(Source: Overview of the World Connector Industry and SATA report dated 31 August 2005, by Bishop & Associates, Inc prepared for inclusion in this Prospectus.)

4.4.13 Relevant Laws and Regulations Governing the Industry

In Malaysia, the main incentives for manufacturing section are the Pioneer Status or Investment Tax Allowance. Eligibility for Pioneer Status or Investment Tax Allowance is based on certain priorities, including the levels of value-added, technology used and industrial linkages. Such eligible projects are termed as "promoted activities" or "promoted products"

A company granted with Pioneer Status enjoys a five (5) year partial exemption from the payment of income tax. It pays tax on 30% of its statutory income, with exemption period commencing from its Production Day.

A company granted with Investment Tax Allowance gets an allowance of 60% on its qualifying capital expenditure incurred within five (5) years from the date on which the first qualifying capital expenditure is incurred.

Save for the above, CCHB is not aware of any other material laws and regulations governing the Industry.

4.4.14 Supply and Demand

(1) Demand Dependencies

Any time an electronic signal travel from point A to point B, inside or outside of an equipment, a connector is required. Therefore, connectors are required in all electronic equipment. Some of the user industries are:

- Consumer electronics and appliances such as personal computers, notebooks, printers, set-top boxes, DVD players, televisions;
- Telecommunication devices such as hand phones, PDAs and GPS devices;
- Medical equipments;
- Automotive including passenger and commercial vehicles;
- Aviation including commercial and military aircrafts and satellites.

Approximately USD33 billion of connectors are sold worldwide annually.

The performance of the user industries will have an impact on the demand for the interconnect industry.

(Source: Overview of the World Connector Industry and SATA report dated 31 August 2005, prepared by Bishop & Associates, Inc. for inclusion in this prospectus)

4. INFORMATION ON THE GROUP (Cont'd)

(2) Supply Dependencies

The raw materials used in the manufacture of cables and connectors are:

- Cables
- Connectors
- Plastic components
- Sheet metal

Connectors are manufactured and consumed in all regions of the world. Asia, particularly China, is now the fastest growing area of the world.

No one company has a monopoly in a given product area. Equipment manufacturers insist on a minimum of a second source, and frequently push their connector vendors for multiple sources of the same product.

Given the diversity of the sources available, it is unlikely to render any significant or prolonged interruptions of supply.

(Source: Overview of the World Connector Industry and SATA report dated 31 August 2005, prepared by Bishop & Associates, Inc. for inclusion in this prospectus)

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4. INFORMATION ON THE GROUP (Cont'd)**4.5 MAJOR CUSTOMERS**

Based on the Group's latest audited accounts for the financial year ended 31 December 2004, the major customers of the Group are as follows:

No.	Customers	Product Category	Product Description	Percentage of Group's Sales (%)	Length of relationship (Years)
1.	Thomson, Inc.	Value-added and ISP	Cables	31.0	1.5
2.	Hughes Network Systems	Value-added	Cables	19.0	3.0
3.	Teac Electronics (M) Sdn Bhd	Value-added, custom and ISP	Cables, connectors and PCB assembly services	9.0	3.0
4.	Flextronics International Lation AmericRosario Becerra	Value-added and ISP	Cables	8.0	2.5
5.	Wearnes Precision Pte. Ltd.	Value-added, custom and ISP	Cables and connectors	6.0	2.0
6.	Jabil Circuit, LLC.	Value-added and ISP	Cables	4.0	2.5
7.	Key Tronics Corporation, USA	ISP	Cables and connectors	4.0	4.5
8.	Senzpak Pte Ltd	Value-added and custom	Cables and connectors	4.0	1.5
9.	Smartwork Holdings, Ltd	Value-added, custom and ISP	Cables and connectors	3.0	3.0
10.	Creative Technology Ltd	ISP	Cables and connectors	2.0	0.5
	Total			90.0	

The top 3 customers contribute to approximately 60% of the Group's sales as at 31 December 2004. Any major disruption in the supply or demand in the products sold to the top 3 customers will have a respective impact on the Group's financial performance. The Group seeks to mitigate this risk by diversifying its customer base to a range of credible mid-size companies with that are recognised as strong players in their respective industries.

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4. INFORMATION ON THE GROUP (Cont'd)**4.6 MAJOR SUPPLIERS**

Based on the Group's latest audited accounts for the financial year ended 31 December 2004, the top 10 suppliers of the Group are as follows:-

No.	Suppliers	Products Purchased	Percentage of Group's Purchases (%)	Length of relationship (Years)
1.	Jamer Industries Co. Ltd.	Cables	28.0	1.5
2.	Microconn Electronics Co. Ltd.	Cables	17.0	4.0
3.	Aomeng Electricity Co. Ltd.	Cables	17.0	1.5
4.	Winsheng Plastic Ind. Sdn Bhd	Plastic	10.0	1.5
5.	Likom Caseworks Sdn Bhd	Sheet metal	3.0	1.0
6.	Jotech Metal Fabrication Ind.	Sheet metal and plastic sub-assembly	2.0	1.5
7.	Horng Tech Enterprise, Ltd	Cable	2.0	1.0
8.	Sunplas Industries, Sdn Bhd	Plastic	2.0	2.0
9.	Houty Group Corp. Ltd.	Connectors and cables	2.0	2.0
10.	LeeKee industries (M) Sdn Bhd	Spray painting	1.0	1.5
	Total		84.0	

The Group is not over dependent on any single supplier for any single product or service.

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4. INFORMATION ON THE GROUP (Cont'd)**4.7 FUTURE PLANS, STRATEGIES AND PROSPECTS****(a) Future Plans and Strategies of the CCHB Group**

The CCHB Groups adopts the following as their vision statement:-

Vision

"To become a leading player in the interconnect niche market"

In order to fulfil its vision, the Management plans to expand its business activities through appropriate and effective strategies that will steer the Group into the right direction in the interconnect industry. The strategies to be adopted by the Group is targeted at growth in revenue and profit margin via product and market development, and process and technology improvement, increasing current manufacturing capabilities and retaining employees and stakeholders confidence.

Future Plans

The Group's future plans are described as follows:-

1. Enhancing the Group's R&D team by Expanding the US Research Team and Setting Up of the Development Team in Malaysia

The Group currently has one R&D Director and two Product & Machination Engineers based in RCI with 7 contract engineers in China. By enlarging its current US R&D team, the Group will be able to allocate more human resources into niche interconnect product and services development.

The setting up of the Development Team in Malaysia will reduce the overall R&D expenses and provide technical and manufacturing process expertise to the Group's major manufacturing base, CCSB.

2. Designing and Developing More Higher – End Products

Due to the vast business opportunities under the SATA technology, the Group plans to venture further into other SATA applications such as SATA Interconnects for set-top boxes and Serial Attached SCSI.

Apart from that, Group plans to endeavour further into other "Beyond-the-PC" industries, namely mobile communication products such as mobile phone, personal digital assistants ("PDAs") and music players (e.g. iPod). Presently, CCHB Group's principal markets comprise broadband satellite communication solutions, digital audio entertainment equipment, computers and disk drives industries. This will enable the Group to source for more higher-end and niche interconnect demands which is the Group's forte.

3. Widening the Group's Market Segment Through Expansion Into Europe

According to the Overview of the World Connector Industry and SATA report dated 31 August 2005, by Bishop & Associates, Inc prepared for inclusion in this Prospectus, the European market commanded approximately 26% of the world connector sales in 2004, making it the second largest sales region next to the US. Currently, the Group neither has any presence nor customers in Europe. For this reason, the Group plans to identify local European distributors and sales representatives in 2005 to engage in a Distribution and Representative Agreements.

4. INFORMATION ON THE GROUP (Cont'd)

The Board of Directors believe that the market segment presents ample business opportunities to the Group as the nature of connectors/cables demand in Europe differs from the US where there is no single dominant industry that demands common standards of cables and connectors. Connectors and cables are mainly unique and not available off-the-shelf, which is particularly suitable to the Group's key strengths.

4. Expansion of Production Capacity

The Group intends to reduce its dependency on contract manufacturers in China to manufacture its commodity Interconnects by investing in one additional cable over-moulding lines in 2006.

5. Enhancing the Group's Image and Promoting Brand Awareness Through More Aggressive Marketing Efforts and Provision of Quality Products and Services

CCHB Group has plans to further develop all of its marketing channels, with special focus on the web and distribution channels. Under its web strategy, the Group plans to further enhance its 3D Cable Configurator Tool that allows customers to create 3D custom cable solutions with the Group's components. CCHB Group also plans to showcase more products on the web, such as USB cables, power cables, CAT cables and other products, to achieve deeper penetration into the cables market.

The Group also intends to expand EDI to new customers. Along with EDI, CCHB Group is targeting to expand the current File Transfer Protocol by posting on the Group's secured Internet site, customer specific data such as Monthly Mould Status reports, Inventory Reports, Statistical Process Control (SPC) Reports and Production Schedule Reports along with other relevant subjects.

To further enhance the Group's image, the Group views that quality certification will further elevate the Group's standings. CCHB Group, plans via its subsidiaries RCI, to be ISO certified by the end of 2005. The Group also envisions being QS9000 certified by the end of 2007.

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4. INFORMATION ON THE GROUP (Cont'd)**(b) Prospects and Outlook of the Connector Industry****Outlook for the Connector Industry**

We cannot identify any structural change in the electronics world that would have a negative influence on the demand for connectors. Conversely, it is possible that the industry average of 5% sales growth will be exceeded over the next decade for two fundamental reasons. First, the growing economies of China and Eastern Europe are increasing the average income of the population and creating more consumers of electronic products. Second, electronic equipment life cycles are much shorter than in the past, meaning new technology obsoletes existing products, creating a steady flow of new electronic products that require electronic connectors.

(Source: Overview of the World Connector Industry and SATA report dated 31 August 2005, by Bishop & Associates, Inc prepared for inclusion in this Prospectus.)

Outlook for the SATA Application

Initially, the application of SATA will be in the PC space; however the move to SATA will be across the board to all systems that presently use ATA drives. In the PC, the initial offerings in 2003 and 2004 will be two SATA connectors for hard drive interconnect. This has been followed by two more SATA ports for the ATAPI (optical) drives. This application alone will generate a need for almost a half billion connectors per year. The adoption and application of SATA technology creates a large market opportunity for component manufacturers in electronic equipment markets such as PCs, servers, workstations, game consoles, set top boxes, etc., as well as storage systems, and storage back up systems.

The market for SATA was originally forecast at USD339 Million Dollars in 2004, however the market was slow to develop in terms of applications, and the actual market was less than USD200 million. As a result, there was a surplus of parts, both connectors and cables. The original target cost for cable assemblies was expected to be less than a dollar and then falling to less than half that over the next couple of years. Price erosion (historically present in the PC industry) has already begun to seriously affect the market, with some cables being offered at USD0.25. The ability of those cables to operate at the next increment of speed has been questioned, but improvements in the cable at a reduced cost are making that less of an issue. New applications in the consumer and enterprise storage arenas should help to offset unit prices and keep the market at approximately USD300 million dollars through 2008.

(Source: Overview of the World Connector Industry and SATA report dated 31 August 2005, by Bishop & Associates, Inc prepared for inclusion in this Prospectus.)

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