



**INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2013**



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

**INTERIM FINANCIAL STATEMENTS FOR THE
FORTH QUARTER ENDED 31 DECEMBER 2013**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		(UNAUDITED) CURRENT YEAR QUARTER 31 DEC 2013 RM	(UNAUDITED) PRECEDING YEAR CORRESPONDING QUARTER 31 DEC 2012 RM	(UNAUDITED) CURRENT YEAR- TO-DATE 31 DEC 2013 RM	(AUDITED) PRECEDING YEAR CORRESPONDING PERIOD 31 DEC 2012 RM
Operating revenue	B1	12,996,914	12,694,321	52,725,309	53,526,363
Cost of sales		(9,366,834)	(10,277,571)	(39,071,023)	(42,839,669)
Gross profit		<u>3,630,080</u>	<u>2,416,750</u>	<u>13,654,286</u>	<u>10,686,694</u>
Other income		107,913	228,194	668,908	540,021
Administrative expense		(2,468,006)	(2,429,233)	(9,408,668)	(8,497,636)
Distribution and selling expenses		(971,940)	(733,273)	(3,422,029)	(3,086,633)
Other expenses		(503,992)	(907,267)	(401,557)	(927,522)
Depreciation and amortisation		(264,558)	(293,391)	(1,090,909)	(1,243,384)
Gain/(loss) on foreign exchange	B1				
- unrealised		8,497	313	334,582	(221,729)
- realised		(621,217)	(97,446)	(641,196)	174,124
Profit/(loss) from operations		<u>(1,083,223)</u>	<u>(1,815,353)</u>	<u>(306,583)</u>	<u>(2,576,065)</u>
Interest income		83	87	508	487
Finance costs		(21,531)	(57,512)	(133,079)	(502,129)
Profit/(loss) before tax	B1	<u>(1,104,671)</u>	<u>(1,872,778)</u>	<u>(439,154)</u>	<u>(3,077,707)</u>
Taxation	B5	(13,061)	(385,144)	(643,819)	(387,614)
Net profit/(loss) attributable to shareholders		<u>(1,117,732)</u>	<u>(2,257,922)</u>	<u>(1,082,973)</u>	<u>(3,465,321)</u>
Other comprehensive income/(expense):					
Foreign exchange reserve		72,692	232,983	(64,777)	(115,104)
Total comprehensive income/(expense) attributable to shareholders		<u>(1,045,040)</u>	<u>(2,024,939)</u>	<u>(1,147,750)</u>	<u>(3,580,425)</u>
Profit/(loss) per share (sen)					
- Basic	B14 (a)	<u>(0.65)</u>	<u>(1.45)</u>	<u>(0.63)</u>	<u>(2.29)</u>
- Diluted	B14 (b)	<u>N/A(*)</u>	<u>N/A(*)</u>	<u>N/A(*)</u>	<u>N/A(*)</u>

(The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to this interim financial statements.)

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

INTERIM FINANCIAL STATEMENTS FOR THE
FORTH QUARTER ENDED 31 DECEMBER 2013

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31 DECEMBER 2013 (UNAUDITED) RM	AS AT 31 DECEMBER 2012 (AUDITED) RM
ASSETS		
Non-current assets		
Plant and equipment	2,593,932	3,046,510
Investment in associate	-	50,000
Deferred tax assets	685,059	1,049,936
	<u>3,278,991</u>	<u>4,146,446</u>
Current assets		
Inventories	5,370,013	4,607,756
Trade receivables	9,981,937	10,646,178
Other receivables	2,360,386	2,171,641
Cash and bank balances	3,095,256	2,260,805
	<u>20,807,592</u>	<u>19,686,380</u>
TOTAL ASSETS	<u>24,086,583</u>	<u>23,832,826</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	17,179,292	15,617,540
Share premium	665,621	491,340
Foreign exchange reserve	11,889	76,666
Accumulated losses	(4,365,733)	(3,282,760)
Total equity	<u>13,491,069</u>	<u>12,902,786</u>
Non-current liabilities		
Borrowings	132,409	167,788
Deferred tax liabilities	39,799	39,799
	<u>172,208</u>	<u>207,587</u>
Current liabilities		
Borrowings	102,415	491,486
Trade payables	9,035,460	8,722,111
Other payables	1,285,431	1,508,856
	<u>10,423,306</u>	<u>10,722,453</u>
Total liabilities	<u>10,595,514</u>	<u>10,930,040</u>
TOTAL EQUITY AND LIABILITIES	<u>24,086,583</u>	<u>23,832,826</u>
Net Assets Per Share (RM)	<u>0.08</u>	<u>0.08</u>

(The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory

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

**INTERIM FINANCIAL STATEMENTS FOR THE
 FORTH QUARTER ENDED 31 DECEMBER 2013**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to Equity Holders of the Parent →				→ Total RM
	Share Capital RM	Share Premium RM	Non-Distributable Foreign Exchange Reserve RM	Accumulated Losses RM	
At 1 January 2012	14,197,840	-	191,770	182,561	14,572,171
Total comprehensive expense for the period	-	-	(115,104)	(3,465,321)	(3,580,425)
Issuance of ordinary shares pursuant to: - Private placement	1,419,700	491,340	-	-	1,911,040
At 31 December 2012	<u>15,617,540</u>	<u>491,340</u>	<u>76,666</u>	<u>(3,282,760)</u>	<u>12,902,786</u>
At 1 January 2013	15,617,540	491,340	76,666	(3,282,760)	12,902,786
Total comprehensive income for the period	-	-	(64,777)	(1,082,973)	(1,147,750)
Issuance of ordinary shares pursuant to: - Private placement	1,561,752	174,281	-	-	1,736,033
At 31 December 2013	<u>17,179,292</u>	<u>665,621</u>	<u>11,889</u>	<u>(4,365,733)</u>	<u>13,491,069</u>

(The unaudited condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to this interim financial statements.)

CONNECTCOUNTY HOLDINGS BERHAD
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INTERIM FINANCIAL STATEMENTS FOR THE
FORTH QUARTER ENDED 31 DECEMBER 2013

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(UNAUDITED)	(AUDITED)
	CURRENT YEAR-TO-DATE 31 DEC 2013 RM	PRECEDING YEAR CORRESPONDING CUMULATIVE PERIOD 31 DEC 2012 RM
Cash flows from operating activities		
Profit/(Loss) before tax	(439,154)	(3,077,707)
Adjustments for:		
Depreciation	1,090,909	1,243,384
Bad debt write-off	507,734	404
Reversal of impairment loss on receivables	(160,323)	(100,000)
Interest expenses	26,906	413,336
Interest income	(508)	(487)
Loss on disposal of plant and equipment	-	4,712
Loss/(Gain) on foreign exchange unrealised	(334,582)	221,729
Plant and equipment written off	41,676	3,768
Impairment loss on receivables	-	918,638
Operating profit/(loss) before working capital changes	732,658	(372,223)
Changes in working capital:		
Inventories	(762,257)	30,447
Receivables (trade)	664,241	3,686,979
Receivables (non-trade)	(28,422)	1,319,109
Payables (trade)	313,349	(2,334,897)
Payables (non-trade)	(223,425)	(408,699)
Cash generated from/(used in) operations	696,144	1,920,716
Interest paid	(26,906)	(413,336)
Tax paid	(4,177)	(7,443)
Net cash generated from/(used in) operating activities	665,061	1,499,937
Cash flows from investing activities		
Acquisition of an associated company	-	(50,000)
Interest received	508	487
Proceed from disposal of plant and equipment	-	1,488
Purchase of plant and equipment	(672,532)	(665,029)
Net cash used in investing activities	(672,024)	(713,054)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	1,736,033	1,911,040
Repayment of hire purchase	(26,777)	(54,526)
Repayment of other short term borrowings	(397,673)	(3,066,829)
Net cash (used in)/generated from financing activities	1,311,583	(1,210,315)
Net increase in cash and cash equivalents	1,304,620	(423,432)
Effects of exchange rate changes	(470,169)	(61,556)
Cash and cash equivalents at beginning of the financial year	2,260,805	2,745,793
Cash and cash equivalents at end of the financial year	3,095,256	2,260,805

(The unaudited condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to this interim financial statements.)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2013

**A EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS ("FRS") 134
INTERIM FINANCIAL REPORTING**

A1 BASIS OF PREPARATION

The unaudited interim financial statements are unaudited and have been prepared in accordance with MFRS134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market.

The unaudited interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2012.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2012.

A2 AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

There were no audit qualification on the financial statements of the Company and its subsidiaries for the financial year ended 31 December 2012 other than an audit emphasis of matter by the independent auditor as follows:

Rapid Conn Interconnect (M) Sdn. Bhd.'s auditor's report contain the audit emphasis of matter relating to the appropriateness of going concern basis of accounting is dependent on the success of the future operations and financial support from its holding Company and its fellow subsidiaries and/or its attaining sufficient cash inflow to sustain its operations.

A3 SEASONALITY OR CYCLICALITY OF OPERATIONS

The business of the Group is such that some of its products, particularly those relating to digital equipments are subject to seasonal variations. Demand for these products tends to increase in the second half of the year. However, it is pertinent to note that the demand of the Group's products are also dependent on the actual overall global economic environment; and the turnaround time of product delivery. Further explanation notes are disclosed in Note B1.

A4 ITEMS OF UNUSUAL NATURE AND AMOUNT

During the current quarter under review, save as disclosed below, there were no items or events that arose, which affected the assets, liabilities, equity, net income or cash flows that are unusual by reasons of their nature, size or incidence.

A5 CHANGES IN ESTIMATES

There were no estimates changes of amounts required in the prior interim periods of the current financial year or prior financial years that have a material effect in the current quarter under review.

A6 ISSUANCE, CANCELLATION, REPURCHASE, RESALE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

On 30 October 2013, the Company had completed the Private Placement following the listing and quotation of 15,617,500 new ordinary shares of RM0.10 at an issue price of RM0.12 each on the ACE Market of Bursa Malaysia Securities Berhad, representing approximately 10% of the issued and paid up capital of the Company.

Save for the disclosure above, there were no other issuance, cancellations, repurchases, resale and repayment of debt and equity security during the current quarter under review up to the date of this quarterly report.

A7 VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no revaluation on any of the Group's property, plant and equipment during the current quarter under review. The valuation of property, plant and equipment have been brought forward, without amendment from the previous audited financial statements.

A8 DIVIDEND PAID

There was no dividend declared or paid during the current quarter under review.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2013

A9 SEGMENTAL INFORMATION

(i) Business segments

Business segment information is not presented as the Group is mainly engaged in one business segment which is the design, development, manufacture and sale of customised, value-added and industry-standard cables, connectors and related products and assembly sub-assembly of electronic components. Thus, the segmental analysis as reviewed by management is based on the geographical segments as shown below:-

(ii) Geographical segments

	Malaysia RM	China RM	Singapore RM	USA RM	Total RM	Eliminations RM	Consolidated RM
31 December 2013							
REVENUE AND EXPENSES							
Revenue							
External sales	-	26,716,759	12,361,437	30,281,114	69,359,310	(16,634,001)	52,725,309
RESULTS							
Segment results	(693,673)	(110,016)	(1,245,211)	2,171,063	122,163	(428,746) *	(306,583)
Finance cost, net	(375)	(65,148)	(46,113)	(20,935)	(132,571)	-	(132,571)
Loss before tax	(694,048)	(175,164)	(1,291,324)	2,150,128	(10,408)	(428,746)	(439,154)
Taxation	783	(332,960)	-	(311,642)	(643,819)	-	(643,819)
Net loss attributable to shareholders	(693,265)	(508,124)	(1,291,324)	1,838,486	(654,227)	(428,746)	(1,082,973)
ASSETS AND LIABILITIES							
Segment assets							
Consolidated total assets	8,686,283	8,925,913	2,269,912	9,244,532	29,126,640	(5,040,057)	24,086,583
Segment liabilities							
Consolidated total liabilities	5,617,866	8,710,625	(320,747)	6,409,654	20,417,398	(9,821,884)	10,595,514
OTHER INFORMATION							
Depreciation	6,466	793,909	265,030	25,504	1,090,909	-	1,090,909
Capital expenditure	-	377,083	250,067	45,382	672,532	-	672,532

*Note:-

The adjustment related to the write back of inter-company provision for doubtful debts between CCHB and RCM.

31 December 2012
REVENUE AND EXPENSES

Revenue							
External sales	99,563	31,733,020	12,698,359	27,735,213	72,266,155	(18,739,792)	53,526,363
RESULTS							
Segment results	(2,014,071)	193,507	(1,426,676)	708,337	(2,538,903)	(37,162)	(2,576,066)
Finance cost, net	(852)	(97,435)	(79,133)	(384,867)	(562,307)	60,665	(501,642)
Taxation	(2,014,923)	96,072	(1,505,809)	323,450	(3,101,210)	23,503	(3,077,707)
Net loss attributable to shareholders	(9)	(244,736)	-	(142,879)	(387,624)	10	(387,614)
	(2,014,932)	(148,664)	(1,505,809)	180,571	(3,488,834)	23,513	(3,465,321)
ASSETS AND LIABILITIES							
Segment assets							
Consolidated total assets	7,698,915	8,859,394	3,931,823	9,185,709	29,675,841	(5,843,015)	23,832,826
Segment liabilities							
Consolidated total liabilities	5,676,586	8,120,805	(59,986)	8,158,039	21,895,444	(10,965,404)	10,930,040
OTHER INFORMATION							
Depreciation	8,034	950,069	204,510	80,771	1,243,384	-	1,243,384
Capital expenditure	2,650	543,326	109,359	9,694	665,029	-	665,029

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2013

A10 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM REPORTING PERIOD

(A) Reference is made to the Company's announcement dated 5 August 2010 and 16 August 2010 in relation to the Proposals.

On 18 July 2011, the Securities Commission had vide its letter dated 18 July 2011 approved the Proposed Exemption. The approval is subjected to CCHB disclosing in its annual and interim accounts and any public document, including annual reports, prospectuses and circulars, throughout the validity period and the conversion or subscription rights or options remain outstanding.

The following are the relevant disclosures made in compliance with the disclosure conditions imposed by the SC:-

- (i) The validity period for the Exemption is from 18 July 2011 up to 18 September 2021.
- (ii) The details of the shareholdings of the PAC and their entitlement to the Rights Issue are as follows:

Direct share holdings as at 14 February 2013

	No. of CCHB Shares	%	No. of Warrants	%
CSC	18,287,382	10.65	4,466,070	7.34
ACJ	11,665,752	6.79	-	-
Total	29,953,134	17.44	4,466,070	7.34

(iii) The maximum potential voting shares or voting rights of the offeror and persons acting in concert in the offeree, if only the offeror and persons acting in concert (but not other holders) exercise the conversion or subscription rights or options in full is 34,419,204 CCHB Shares representing 19.53% of the issued and paid-up share capital of CCHB.

(iv) The PAC shall not undertake the acquisition of voting shares or voting rights or acquisition of the conversion or subscription rights or options of CCHB (excluding issuance of new CCHB shares following the exercise of the conversion or subscription rights or options, or where all CCHB subscription rights or options on a pro-rata basis) by the PAC throughout the validity period of the Exemption.

(v) The mandatory offer obligation by the PAC to acquire all the remaining CCHB Shares not already held by them upon completion of the Rights Issue or after the exercise of the Warrants will not arise as a result of granting of the Exemption.

(B) On 20 January 2014, the Company has entered into a Sale and Purchase Agreement (the "Agreement") with Mr. Tan See Kuy ("the Vendor") to acquire from the Vendor 51% equity interest in MyGenBizz Berhad (Co No: 1076570-P) ("MyGenBizz") representing 51,000 ordinary shares of RM1.00 each of the paid up capital of MyGenBizz for a cash consideration of RM1,000,000.

The principal activities of MyGenBizz are mainly to carry on the businesses of direct selling marketing, multi level marketing, distributor of and dealer of goods and merchandise.

GenBizz Inc (USA) has granted MyGenBizz with the exclusive rights to market MyBrandApp, a personal mobile application software, in Malaysia. The personal mobile application runs on both the Android and IOS platform can be downloaded via Google play store.

A11 CHANGES IN THE COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group for the current financial quarter under review.

A12 CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no contingent liabilities or contingent assets since 31 December 2012 and up to the date of this report.

A13 CAPITAL COMMITMENTS

There were no capital commitments as at the current financial quarter under review.

A14 RELATED PARTY TRANSACTIONS

There were no related party transactions for the period under review.

B ADDITIONAL INFORMATION REQUIRED BY LISTING REQUIREMENTS OF BURSA MALAYSIA
SECURITIES BERHAD FOR THE ACE MARKET

B1 REVIEW OF PERFORMANCE

For the financial period ended 31 December 2013, the Group recorded revenue of RM52,725,309 and loss before taxation of RM439,154 as compared to its preceding year's corresponding period revenue of RM53,526,363 and loss before tax amount of RM3,077,707. The Group recorded a decrease in revenue of approximately 1% in the period ended 31 December 2013 as compared to the corresponding period ended 31 December 2012.

The Group recorded a more favourable margin of 25.9% in the period ended 31 December 2013, compared to 20.0% for period ended 31 December 2012.

The Group recorded an unrealised forex gain of RM0.34million in the current period ended 31 December 2013, compared to unrealised forex loss of RM0.22million for the period ended 31 December 2012. The Group recorded a realised forex loss of RM0.64million for the current period ended 31 December 2013, compared to realised forex gain of RM0.17million in the period ended 31 December 2012; which was mainly due to the USD versus RM.

Our subsidiary in Singapore had made a reversal of impairment from other receivables of approximately USD50k (approximately RM144k) when payments were received in the preceding period ended 30 June 2013. There was no reversal of impairment from other receivables for the period ended 30 September 2012.

The taxation presented in the account were mainly consist of deferred tax adjustments from our subsidiaries in China and USA.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2013

B2 COMPARISON WITH PRECEDING QUARTER'S RESULTS

For the current quarter ended 31 December 2013, the Group recorded a revenue of RM12,996,914 and a loss before tax of RM1,104,671 as compared to a revenue and loss before tax amount of RM12,162,338 and RM59,591 respectively for the preceding quarter ended 30 September 2013. The Group recorded an increased in revenue of approximately 7% in the forth quarter of 31 December 2013 as compared to the preceding quarter ended 30 September 2013.

The Group recorded a more favourable gross profit margin of 27.9% in the quarter ended 31 December 2013 compared to 24.4% for previous quarter 30 September 2013.

There is a Bad debt written off in our subsidiary in USA of RM507,734 during the quarter ended 31 December 2013. There were no known bad debt in the preceding quarter ended 30 September 2013.

Our subsidiary in Singapore had made a reversal of impairment from other receivables amounting to USD 9k in preceding quarter. There was no reversal of impairment from other receivables for the period ended December 2013.

B3 PROSPECTS FOR THE FINANCIAL YEAR 2014

Due to the on-going competitive labour market in Shen Zhen, China and acute labour supply where our factory is located; together with the uncertainty of global economic conditions, the Board remains cautious on the outlook for 2014 and the management is proactively mitigating these risks and challenges.

However, the Board believes that there are opportunities arising from our geographical positioning and technological capabilities, given that emerging markets such as China, India, Latin America and ASEAN continue to drive global demand. Likewise, management is proactively mitigating the escalating labour costs in China, as shown in the improvement of gross margin during the year ended 31 December 2013.

As such, the Board is of the view that notwithstanding the competitive business environment, we are optimistic that the financial performance for 2014 will be better than the preceding year due to the current measures taken by management to reduce costs and expand sales, as well as the ventures into new businesses of Direct Selling.

B4 PROFIT FORECAST AND PROFIT GUARANTEE

The Group did not issue any profit forecast or profit guarantee for the current financial quarter under review or in any other public document.

B5 TAXATION

	Individual Quarter		Cumulative Quarter	
	Quarter ended 31 DEC 2013 RM	Quarter ended 31 DEC 2012 RM	Quarter period ended 31 DEC 2013 RM	Quarter period ended 31 DEC 2012 RM
Current taxation:				
Domestic	-	-	-	-
Foreign tax	-	4,963	4,960	7,443
	-	4,963	4,960	7,443
Over/(under) provision in prior period				
Domestic	-	9	(783)	-
Foreign tax	-	-	-	-
	-	9	(783)	-
Deferred taxation*	13,061	380,172	639,642	380,171
	13,061	385,144	643,819	387,614

* For the quarter ended 31 December 2013, our subsidiaries in China and USA had made reversal of deferred tax assets amounting to RM27,747 and RM40,808 respectively.

B6 PRE-ACQUISITION PROFITS

The were no pre-acquisition profits for the current financial year-to-date.

B7 PROFIT ON SALE OR PURCHASE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no disposals of unquoted investments and/or properties by the Group for the current quarter and financial year-to-date under review, except for the wound up of Distinctive Rapid Development Sdn Bhd as mentioned in Note B2.

B8 QUOTED SECURITIES

There were no acquisitions or disposals of quoted securities by the Group during the current financial quarter under review. There was no investment in quoted securities as at end of the reporting period.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2013

B9 STATUS OF CORPORATE PROPOSAL

(i) Status of corporate proposals announced but not completed as at 15 November 2013 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report) - None.

(ii) Self Regularisation Plan

(A) Reference is made to the Company's announcement dated 5 August 2010 and 16 August 2010 in relation to the Proposals.

On 18 July 2011, the Securities Commission had vide its letter dated 18 July 2011 approved the Proposed Exemption. The approval is subjected to CCHB disclosing in its annual and interim accounts and any public document, including annual reports, prospectuses and circulars, throughout the validity period and the conversion or subscription rights or options remain outstanding.

The following are the relevant disclosures made in compliance with the disclosure conditions imposed by the SC:-

(i) The validity period for the Exemption is from 18 July 2011 up to 18 September 2021.

(ii) The details of the shareholdings of the PAC and their entitlement to the Rights Issue are as follows:

Direct share holdings as at 14 February 2014

	No. of CCHB Shares	%	No. of Warrants	%
GSC	18,287,382	10.65	4,466,070	7.34
ACJ	11,665,752	6.79	-	-
Total	29,953,134	17.44	4,466,070	7.34

(iii) The maximum potential voting shares or voting rights of the offeror and persons acting in concert in the offeree, if only the offeror and persons acting in concert (but not other holders) exercise the conversion or subscription rights or options in full is 34,419,204 CCHB Shares representing 19.53% of the issued and paid-up share capital of CCHB.

(iv) The PAC shall not undertake the acquisition of voting shares or voting rights or acquisition of the conversion or subscription rights or options of CCHB (excluding issuance of new CCHB shares following the exercise of the conversion or subscription rights or options, or where all CCHB subscription rights or options on a pro-rata basis) by the PAC throughout the validity period of the Exemption.

(v) The mandatory offer obligation by the PAC to acquire all the remaining CCHB Shares not already held by them upon completion of the Rights Issue or after the exercise of the Warrants will not arise as a result of granting of the Exemption.

STATUS OF UTILIZATION OF PROCEEDS RAISED FROM PRIVATE PLACEMENT

The RM1,874,100 proceeds raised from the Private Placement of 18,741,000 new ordinary shares of RM0.10 each in the Company ("Private Placement") at an issue price of RM0.12 each, which was completed on 30 October 2013, has been proposed to be utilized as follows:-

Description	Proposed Utilization RM	Actual Utilization As at 31 DEC 2013 RM	Deviation RM	Balance RM	Estimated timeframe for utilization of proceeds
Working capital	1,812,100	246,031	-	1,566,069	Within 6 months
Estimated expenses in relation to the Proposed Private Placement	62,000	138,069	-	(76,069)	Within 6 months
	<u>1,874,100</u>	<u>384,100</u>	<u>-</u>	<u>1,490,000</u>	

B10 BORROWINGS

	Quarter ended 31 DEC 2013	Quarter ended 31 DEC 2012
Short term borrowings (RM)		
Secured	<u>102,415</u>	<u>491,486</u>
Long-term borrowings (RM)		
Secured	<u>132,409</u>	<u>167,788</u>
Total Borrowings (RM)	<u><u>234,824</u></u>	<u><u>659,274</u></u>

DENOMINATED IN FOREIGN CURRENCY

	Foreign Currency	RM Equivalent	Foreign Currency	RM Equivalent
Short term borrowings:				
Secured (in Singapore Dollars)	-	-	190,497	484,436
Secured (in US Dollars)	12,703	41,920	-	-
Secured (in Chinese RMB)	120,990	60,495	14,100	7,050
		<u>102,415</u>		<u>491,486</u>
Long term borrowings:				
Secured (in Singapore Dollars)	-	-	68,959	167,788
Secured (in US Dollars)	40,124	132,409	-	-
		<u>132,409</u>		<u>167,788</u>

B11 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The Group does not have any off balance sheet financial instruments as at the date of this report.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2013

B12 MATERIAL LITIGATIONS

There is no material litigation during the period under review and the Directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

B13 DIVIDENDS

The Directors did not propose any dividend for the period under review.

B14 EARNINGS/(LOSS) PER SHARE

(a) Basic

	Individual Quarter		Cumulative Quarter	
	Quarter ended	Quarter ended	Quarter period ended	Quarter period ended
	31 DEC 2013 RM	31 DEC 2012 RM	31 DEC 2013 RM	31 DEC 2012 RM
Net (loss)/profit attributable to shareholders	(1,117,732)	(2,257,922)	(1,082,973)	(3,465,321)
Weighted average number of shares - basic	171,792,920	156,175,400	171,792,920	151,157,715
Basic loss per share (sen)	(0.65)	(1.45)	(0.63)	(2.29)

(b) Diluted

	Individual Quarter		Cumulative Quarter	
	Quarter ended	Quarter ended	Quarter period ended	Quarter period ended
	31 DEC 2013 RM	31 DEC 2012 RM	31 DEC 2013 RM	31 DEC 2012 RM
Net loss attributable to shareholders	(1,117,732)	(2,257,922)	(1,082,973)	(3,465,321)
Weighted average number of shares - basic	171,792,920	156,175,400	171,792,920	151,157,715
Add: Assuming conversion of Warrants	60,846,600	60,846,600	60,846,600	60,846,600
Weighted average number of shares - diluted	232,639,520	217,022,000	232,639,520	212,004,315
Diluted earnings per share (sen)	N/A(*)	N/A(*)	N/A(*)	N/A(*)

Note:-

* The fully diluted earnings per share is not disclosed as the effects on the assumed exercised of the warrants is anti-dilutive.

B15 AUTHORISATION

The forth quarter interim financial statements were authorised for issue by the Board of Directors in accordance with resolution of the directors dated 28 February 2014.

B16 DISCLOSURE OF REALISED AND UNREALISED PROFITS/(LOSSES)

The determination of realised and unrealised (loss)/gain is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits of Losses In the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants on 20 December 2010.

The breakdown of accumulated losses of the Group as at the reporting date, into realised and unrealised losses are as follows:

	As At 31 DEC 2013 RM	(Audited) As At 31 DEC 2012 RM
Total accumulated losses of the Group:		
- Realised	(4,700,315)	(3,061,031)
- Unrealised	334,582	(221,729)
	<u>(4,365,733)</u>	<u>(3,282,760)</u>
Less: Consolidated adjustments	-	-
Accumulated losses as per financial statements	<u>(4,365,733)</u>	<u>(3,282,760)</u>

By order of the Board

Ang Chuang Juay
Deputy Chairman
28 February 2014