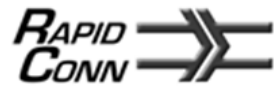
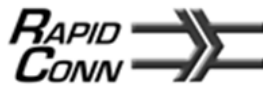
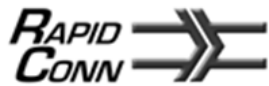
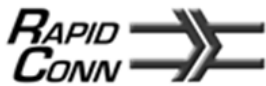


# CCHB

環球電子產品有限公司

CONNECTCOUNTRY HOLDINGS BERHAD (618933-D)

**INTERIM FINANCIAL STATEMENTS  
FOR THE FORTH QUARTER ENDED  
31 DECEMBER 2014**



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

**INTERIM FINANCIAL STATEMENTS FOR THE**  
**FORTH QUARTER ENDED 31 DEC 2014**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		(UNAUDITED) CURRENT YEAR QUARTER 31 DEC 2014 RM	(UNAUDITED) PRECEDING YEAR CORRESPONDING QUARTER 31 DEC 2013 RM	(UNAUDITED) CURRENT YEAR- TO-DATE 31 DEC 2014 RM	(AUDITED) PRECEDING YEAR CORRESPONDING PERIOD 31 DEC 2013 RM
	Note				
<b>Operating revenue</b>	B1	11,551,795	12,996,914	52,539,560	52,792,159
Cost of sales		(9,503,030)	(9,366,834)	(39,267,925)	(39,793,983)
<b>Gross profit</b>		<u>2,048,765</u>	<u>3,630,080</u>	<u>13,271,635</u>	<u>12,998,176</u>
Other income		184,881	107,913	515,038	1,225,194
Administrative expense		(2,871,759)	(2,468,006)	(10,946,596)	(8,886,423)
Distribution and selling expenses		(839,728)	(971,940)	(3,191,642)	(3,297,696)
Other expenses		(1,011,133)	(503,992)	(1,504,597)	(1,021,257)
Depreciation and amortisation		(324,222)	(264,558)	(1,132,390)	(1,090,701)
Gain/(loss) on foreign exchange	B1				
- unrealised		394,085	8,497	377,306	334,582
- realised		723,319	(621,217)	4,976	(641,196)
Share of result of associated company		(4,676)	-	(4,676)	-
<b>(Loss)/profit from operations</b>		<u>(1,700,468)</u>	<u>(1,083,223)</u>	<u>(2,610,946)</u>	<u>(379,321)</u>
Interest income		170	83	429	508
Finance costs		(103,781)	(21,531)	(121,819)	(78,190)
<b>(Loss)/profit before tax</b>	B1	<u>(1,804,079)</u>	<u>(1,104,671)</u>	<u>(2,732,336)</u>	<u>(457,003)</u>
Taxation	B5	180,957	(13,061)	(273,072)	(643,819)
<b>(Loss)/profit for the year</b>		<u>(1,623,122)</u>	<u>(1,117,732)</u>	<u>(3,005,408)</u>	<u>(1,100,822)</u>
<b>Other comprehensive income/(expenses):</b>					
Foreign currency translation		(331,929)	72,692	342,257	(96,533)
<b>Total comprehensive loss for the year</b>		(1,955,051)	(1,045,040)	(2,663,151)	(1,197,355)
(Loss)/profit attributable to:					
Owners of the Company		(1,956,043)	(1,117,732)	(3,338,329)	(1,100,822)
Non-controlling interest		332,921	-	332,921	-
		<u>(1,623,122)</u>	<u>(1,117,732)</u>	<u>(3,005,408)</u>	<u>(1,100,822)</u>
Total comprehensive income/(expense) attributable to:					
Owners of the Company		(2,287,972)	(1,045,040)	(2,996,072)	(1,197,355)
Non-controlling interest		332,921	-	332,921	-
		<u>(1,955,051)</u>	<u>(1,045,040)</u>	<u>(2,663,151)</u>	<u>(1,197,355)</u>
(Loss)/earning per share (sen)					
- Basic	B10 (a)	<u>(0.98)</u>	<u>(0.65)</u>	<u>(1.81)</u>	<u>(0.64)</u>
- Diluted	B10 (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 2013 and the accompanying explanatory notes attached to this interim financial statements.)

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

**INTERIM FINANCIAL STATEMENTS FOR THE**  
**FORTH QUARTER ENDED 31 DEC 2014**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	AS AT 31 DEC 2014 (UNAUDITED) RM	AS AT 31 DECEMBER 2013 (AUDITED) RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment		3,599,674	2,593,936
Deferred tax assets		194,234	444,402
		<u>3,793,908</u>	<u>3,038,338</u>
<b>Current assets</b>			
Inventories		5,612,461	5,370,012
Trade receivables		9,685,773	10,329,566
Other receivables		2,779,877	2,583,500
Cash and bank balances		4,847,060	3,095,258
		<u>22,925,171</u>	<u>21,378,336</u>
<b>TOTAL ASSETS</b>		<u><u>26,719,079</u></u>	<u><u>24,416,674</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		20,615,140	17,179,290
Share premium		2,170,979	665,621
Foreign exchange reserve		322,390	(19,867)
Accumulated losses	B12	<u>(7,038,220)</u>	<u>(4,383,582)</u>
		16,070,289	13,441,462
Non-controlling interests		-	-
<b>Total equity</b>		<u>16,070,289</u>	<u>13,441,462</u>
<b>Non-current liabilities</b>			
Borrowings	B7	266,715	122,598
Other payables		-	47,307
Deferred tax liabilities		39,799	39,799
		<u>306,514</u>	<u>209,704</u>
<b>Current liabilities</b>			
Borrowings	B7	114,094	51,728
Trade payables		8,014,675	8,329,829
Other payables		2,213,507	2,383,951
		<u>10,342,276</u>	<u>10,765,508</u>
<b>Total liabilities</b>		<u>10,648,790</u>	<u>10,975,212</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>26,719,079</u></u>	<u><u>24,416,674</u></u>
<b>Net Assets Per Share (RM)</b>		<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 2013 and the accompanying explanatory notes attached to this interim financial statements.)

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

**INTERIM FINANCIAL STATEMENTS FOR THE**  
**FORTH QUARTER ENDED 31 DEC 2014**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	←	Attributable to Equity Holders of the Parent			→
		←	Non-Distributable	→	
	Share Capital RM	Share Premium RM	Foreign Exchange Reserve RM	Accumulated Losses RM	Total RM
<b>At 1 January 2013</b>	15,617,540	491,340	76,666	(3,282,760)	12,902,786
Total comprehensive expense for the period	-	-	(96,533)	(1,100,822)	(1,197,355)
Issuance of ordinary shares pursuant to: - Private placement	1,561,750	174,281	-	-	1,736,031
<b>At 31 December 2013</b>	<u>17,179,290</u>	<u>665,621</u>	<u>(19,867)</u>	<u>(4,383,582)</u>	<u>13,441,462</u>
<b>At 1 January 2014</b>	17,179,290	665,621	(19,867)	(4,365,733)	13,459,311
Acquisition of subsidiary	-	-	-	-	-
Total comprehensive income/(expense) for the period	-	-	342,257	(2,672,487)	(2,330,230)
Issuance of ordinary shares pursuant to: - Private placement	3,435,850	1,505,358	-	-	4,941,208
<b>At 31 December 2014</b>	<u>20,615,140</u>	<u>2,170,979</u>	<u>322,390</u>	<u>(7,038,220)</u>	<u>16,070,289</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 2013 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 DEC 2014**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	(UNAUDITED)	(AUDITED)
	CURRENT YEAR-TO-DATE 31 DEC 2014 RM	PRECEDING YEAR CORRESPONDING CUMULATIVE PERIOD 31 DEC 2013 RM
<b>Cash flows from operating activities</b>		
Profit/(loss) before tax	(2,732,336)	(457,003)
Adjustments for:		
Depreciation	1,132,390	1,090,701
Goodwill written off	949,000	-
Impairment loss on other receivables	500,000	507,734
Inventories written off	323,078	74,500
Interest expenses	93,281	26,906
Interest income	(429)	(4,271)
(Gain)/loss on disposal of plant and equipment	(44,573)	-
(Gain)/loss on foreign exchange unrealised	(377,306)	(356,819)
Provision of impairment in investment	(900,000)	-
Share of loss of associates	-	50,000
Plant and equipment written off	50,994	43,288
Reversal of impairment loss on receivables	(519,282)	(160,322)
Operating profit before working capital changes	(1,525,183)	814,714
Changes in working capital:		
Inventories	(242,449)	(836,756)
Receivables (trade)	643,793	242,321
Receivables (non-trade)	(196,377)	(411,859)
Payables (trade)	(315,154)	(305,857)
Payables (non-trade)	(217,751)	922,402
Cash generated from/(used in) operations	(1,853,121)	424,965
Interest paid	(25,803)	(26,906)
Tax (paid)/refund	(16,259)	(4,177)
<b>Net cash (used in)/generated from operating activities</b>	<b>(1,895,183)</b>	<b>393,882</b>
<b>Cash flows from investing activities</b>		
Interest received	429	4,271
Proceed of disposal of PPE	283,634	-
Purchase of plant and equipment	(2,155,089)	(672,532)
<b>Net cash used in investing activities</b>	<b>(1,871,026)</b>	<b>(668,261)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares	5,161,282	1,874,100
Proceeds from short term loan	660,000	(138,069)
Repayment of hire purchase	(75,118)	(34,896)
Repayment of other short term borrowings	(660,000)	(444,673)
<b>Net cash generated from financing activities</b>	<b>5,086,164</b>	<b>1,256,462</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,319,955</b>	<b>982,083</b>
<b>Effects of exchange rate changes</b>	<b>431,847</b>	<b>(147,630)</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>3,095,258</b>	<b>2,260,805</b>
<b>Cash and cash equivalents at end of the financial year</b>	<b>4,847,060</b>	<b>3,095,258</b>
<b>Cash and cash equivalents are represented by</b>		
Cash and at bank balances	4,847,060	3,095,258
	<u>4,847,060</u>	<u>3,095,258</u>

(The unaudited condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to this interim financial statements.)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2014**

**PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARDS ("MFRS") 134 ON INTERIM FINANCIAL REPORTING**

**A1 BASIS OF PREPARATION**

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

**A2 SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted as disclosed in the Group's annual audited financial statements for the year ended 31 December 2013.

The Group has adopted the new and revised Malaysian Financial Reporting Standards ("MFRSs") and IC Interpretations that became mandatory for the current reporting period. The adoption of these new and revised MFRSs and IC Interpretations does not result in significant changes in the accounting policies of the Group.

**A3 AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS**

There were no audit qualification on the financial statements of the Company and its subsidiaries for the financial year ended 31 December 2013 other than an audit emphasis of matter by the independent auditor as follows:

Rapid Conn Interconnect (M) Sdn. Bhd.'s auditors' report contain the audit emphasis of matter relating to the appropriateness of going concern basis of accounting is dependent on financial support from its holding Company and its fellow subsidiaries.

**A4 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.

**A5 UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS**

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

**A6 MATERIAL CHANGES IN ESTIMATES**

There were no material changes in estimates that have had effect on the current financial period under review.

**A7 ISSUANCE, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENT OF DEBT AND EQUITY SECURITIES**

The Company had on 4 November 2014, completed the proposed private placement of 34,358,500 new ordinary shares of RM0.10 following the listing and quotation of the remaining 17,455,600 new ordinary shares of RM0.10 each on the ACE Market of Bursa Malaysia Securities Berhad at an issue price of RM0.133 each.

**A8 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.

**A9 DIVIDENDS**

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 2014

A10 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, assembly and sub-assembly of electronic components.

Contributions from other new venture businesses during the current quarter are not material at this stage and therefore, 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
<b>31 December 2014</b>							
<b>REVENUE AND EXPENSES</b>							
<b>Revenue</b>							
External sales	743,619	32,281,802	12,091,464	29,792,995	74,909,880	(22,370,320)	52,539,560
<b>RESULTS</b>							
Segment results	(3,838,347)	(410,475)	(155,426)	1,324,483	(3,079,765)	473,495	(2,606,270)
Finance cost, net	(145)	(44,783)	(54,096)	(22,366)	(121,390)	-	(121,390)
Share of result of associate company	-	-	-	-	-	-	(4,676)
Profit/(loss) before tax	(3,838,492)	(455,258)	(209,522)	1,302,117	(3,201,155)	473,495	(2,732,336)
Taxation	-	-	-	(273,072)	(273,072)	-	(273,072)
Net profit/(loss) attributable to	(3,838,492)	(455,258)	(209,522)	1,029,045	(3,474,227)	473,495	(3,005,408)
<b>ASSETS AND LIABILITIES</b>							
<b>Segment assets</b>							
Consolidated total assets	10,637,858	12,131,766	4,204,533	8,912,795	35,886,952	(9,167,873)	26,719,079
<b>Segment liabilities</b>							
Consolidated total liabilities	5,687,294	10,270,040	1,806,387	5,150,347	22,914,068	(12,265,278)	10,648,790
<b>OTHER INFORMATION</b>							
Depreciation	38,930	764,281	278,460	50,719	1,132,390	-	1,132,390
Capital expenditure	287,675	912,575	848,310	106,529	2,155,089	-	2,155,089
<b>31 December 2013</b>							
<b>REVENUE AND EXPENSES</b>							
<b>Revenue</b>							
External sales	-	26,716,932	12,428,138	30,281,114	69,426,184	(16,634,025)	52,792,159
<b>RESULTS</b>							
Segment results	(693,673)	(132,098)	(1,441,998)	1,918,691	(349,078)	(30,754)	(379,832)
Finance cost, net	(375)	(9,749)	(46,112)	(20,935)	(77,171)	-	(77,171)
Taxation	(694,048)	(141,847)	(1,488,110)	1,897,756	(426,249)	(30,754)	(457,003)
Net profit/(loss) attributable to	(693,265)	(474,807)	(1,488,110)	1,586,114	(1,070,068)	(30,754)	(1,100,822)
<b>ASSETS AND LIABILITIES</b>							
<b>Segment assets</b>							
Consolidated total assets	8,711,216	10,772,838	6,836,231	9,352,691	35,672,976	(11,256,302)	24,416,674
<b>Segment liabilities</b>							
Consolidated total liabilities	5,644,364	10,571,010	4,327,307	6,729,535	27,272,216	(16,297,004)	10,975,212
<b>OTHER INFORMATION</b>							
Depreciation	6,466	793,701	265,030	25,504	1,090,701	-	1,090,701
Capital expenditure	-	377,083	250,067	45,382	672,532	-	672,532

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2014**

**A11 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.

The Company had on 28 September 2011 issued 60,847,500 ordinary shares with free detachable warrants at an issues price of RM0.10 per share in conjunction with the renounceable rights issue of 60,847,500 right shares on the basis of the three (3) rights share together with the three (3) warrants for every four (4) CCHB shares held ("Proposals").

The exercise period for the warrant is ten (10) years from 19 September 2011 up to and including 18 September 2021. Each warrant entitles its registered holder the right to subscribe for one (1) new ordinary share of RM0.10 each in the Company at an exercise price of RM0.10 per share until the expiry of the exercise period.

Pursuant to the Proposals, an application was made to Securities Commission by Ang Chuang Juay and his person acting in concert ("PAC"), seeking an exemption under Paragraph 16.1, Practice Note (PN) 9 of the Malaysian Code in Takeovers and Mergers 2010 (Code) from the obligation to undertake a mandatory offer for the remaining voting shares in CCHB ("Proposed Exemption").

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

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

Direct share holdings as at 17 February 2015

	No. of CCHB Shares	%	No. of Warrants	%
CSC	18,287,382	8.87	4,466,070	7.34
ACJ	11,665,752	5.66	-	-
Total	29,953,134	14.53	4,466,070	7.34

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

(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 17.82% of the issued and paid-up share capital of CCHB.

(iv) The PAC shall not undertake the acquisition of voting shares or voting shares or 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.

The Proposals was completed on 3 October 2011 with the listing and quotation for 60,847,500 new CCHB shares ("Rights Shares") together with 60,847,500 free detachable warrants ("Warrants").

(B) On 26 September 2014, the Company had entered into a Sales and Purchase Agreement for the sale of 900,000 redeemable convertible preference shares of RM1.00 each in MyGenBizz Berhad (MGB) held by the Company to Mr. Tan See Kuy for a total consideration of RM900,000. On 14 October 2014, all redeemable convertible preference shares in MGB have been converted to ordinary shares. Consequently the Company's interest in MGB has reduced from 51.00% to 36.73%. Therefore MGB ceased to be the subsidiary of the Company but remain as associated company.

**(C) Proposed Acquisition - Kejuruteraan Asastera Sdn Bhd**

As part of the Company's expansion plan, the Company is to acquire Kejuruteraan Asastera Sdn. Bhd. (Company No. 420505-H), a private limited company which specialises in the provision of electrical and mechanical engineering services within the construction industry. The acquisition has been approved by the Board, which is subjected to the outcome of the due diligence. The Company has set up a due diligence working group specifically for this exercise.

**(D) New Subsidiary**

Rapidconn (Shenzhen) Co Ltd, a wholly-owned subsidiary of the Company has entered into an agreement with Mr. Zhou Jian, a Chinese national, to form a new co (NewCo) in Shenzhen, China. This is subject to a satisfactory review to be conducted internally by the Company.

RCC shall become the majority shareholder of the NewCo by way of cash injection of RenMinBi ("RMB") 3,000,000/-, equivalent to a 60%-stake in the capital of the NewCo, while Mr. Zhou shall inject RMB2,000,000/-, equivalent to the remaining 40%-stake in the capital of the NewCo.

The shareholding structure of the NewCo shall be as follows:

Shareholders	No. of Subscription Shares @ RMB1/- per share	Percentage of Issued and Paid-Up Capital (%)
RCC	3,000,000	60
Zhou Jian	2,000,000	40
<b>Total</b>	<b>5,000,000</b>	<b>100</b>

**A12 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.

**A13 CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

There were no contingent liabilities or contingent assets since 31 December 2013 and up to the date of this report.



NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2014

A14 CAPITAL COMMITMENTS

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

A15 RELATED PARTY TRANSACTIONS

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

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET

B1 REVIEW OF PERFORMANCE

For the current financial period ended 31 December 2014, the Group recorded revenue of RM52,539,560 and loss before taxation of RM2,732,336 as compared to its preceding year's corresponding period revenue of RM52,792,159 and loss before tax amount of RM457,003. The Group recorded a lower of revenue in the period ended 31 December 2014 as compared to the corresponding period ended 31 December 2013. The Group's overall performance were also adversely affected by the impairment of its investment in one of its subsidiaries during the year .

The Group recorded a stable favourable margin of 25% in the period ended 31 December 2014 compared to 25% for the period ended 31 December 2013 due to our efforts in diversifying into higher margin products as well as our controls over input costs.

The Group recorded an unrealised forex gain of RM377k for period ended 31 December 2014, compared to unrealised forex gain of RM335k in the previous period ended 31 December 2013. Notwithstanding the above, the Group recorded a realised forex gain of RM5k in the period ended 31 December 2014, as compared to realised forex loss of RM641k for the period ended 31 December 2013; which was mainly due to the an appreciation of USD against RM.

B2 COMPARISON WITH PRECEDING QUARTER'S RESULTS

For the current quarter ended 31 December 2014, the Group recorded a revenue of RM11,551,795 and a loss before tax of RM1,804,079 as compared a revenue and loss before tax amount of RM13,276,702 and RM1,315,927 respectively for the preceding quarter ended 30 September 2014. The Group recorded an decrease in revenue of approximately 19% in the current quarter compare to third quarter of 30 September 2014.

The Group recorded a margin of 17% in the quarter ended 31 December 2014 as compared to 28% in the preceding quarter ended 30 September 2014. The margin of the group has decreased compared to the preceding quarter ended 30 September 2014.

The Group recorded an unrealised forex gain of RM723k for the quarter ended 31 December 2014, compared to unrealised loss of RM40k in the preceding quarter ended 30 September 2014. Notwithstanding the above, the Group recorded a realised forex gain of RM394k in the quarter ended 31 December 2014, as compared to realised forex gain of RM110k for the preceding quarter ended 30 September 2014; which was mainly due to the appreciation of USD against RM.

B3 PROSPECTS FOR THE FINANCIAL YEAR 2015

The Group is now exploring different market segments in the automotive and white goods industry. Recently, Rapid Conn Singapore which is part of the Group, has secured two POs from a automotive-based US company in Singapore. The Group is also making inroads into the white goods market as it has received an order from Panasonic, and has submitted quotations for a new order. This will invariably help kick start the Group's effort in diversifying into different industrial sectors, while expanding its portfolio of customers.

There is an opportunity for the Group to secure business with Pace plc, a UK based company which is a leading technology solutions and services provider to the global PayTV and broadband service industries. Samples of the Group's products were sent at Pace's request for evaluation, while testing and approval on their part will take anything from 6 months to a year.

The Group, through Rapid Conn Shenzhen, is currently in the process of forming a subsidiary with a local partner in Shenzhen . This is a strategic approach by the group to expand its supply chain by way of backward vertical integration, which will invariably help improve costs and efficiency. Ultimately, this will enable the Group to become more competitive globally as it diversifies into different industries while increasing its customers' base across different markets.

B4 VARIANCE OF FORECAST AND PROFIT GUARANTEE

The Group did not issue any profit forecast or profit forecast or profit guarantee and thus this is not applicable to the Group.

B5 TAXATION

	Individual Quarter		Cumulative Quarter	
	Quarter ended	Quarter ended	Quarter period ended	Quarter period ended
	31 DEC 2014	31 DEC 2013	31 DEC 2014	31 DEC 2013
	RM	RM	RM	RM
Current taxation:				
Domestic	-	-	-	-
Foreign tax	-	-	16,259	4,960
	-	-	16,259	4,960
Under provision in prior period				
Domestic	-	-	-	(783)
Foreign tax	-	-	-	-
	-	-	-	(783)
Deferred taxation	(180,957)	13,061	256,813	639,642
	(180,957)	13,061	273,072	643,819

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2014**

**B6 STATUS OF CORPORATE PROPOSAL**

**(i) Private Placement**

M&A Securities Sdn Bhd had on behalf of the Board announced a private placement of up to 34,358,500 new Connect shares ("Placement Shares") on 24 March 2014.

The Company had on 9 May 2014 obtained Bursa Securities' approval for the listing of and quotation for the Placement Shares on the ACE Market of Bursa Securities.

The Private Placement was partially completed on 20 June 2014 with the listing of and quotation for 16,902,900 new Connect Shares at an issue price of RM0.168 on the ACE Market of Bursa Securities.

The Private Placement was then fully completed on 4 November 2014 with the listing of and quotation for the remaining 17,455,600 new Connect Shares at an issue price of RM0.133 on the ACE Market of Bursa Securities.

**(ii) Self Regularisation Plan**

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

The Company had on 28 September 2011 issued 60,847,500 ordinary shares with free detachable warrants at an issues price of RM0.10 per share in conjunction with the renounceable rights issue of 60,847,500 right shares on the basis of the three (3) rights share together with the three (3) warrants for every four (4) CCHB shares held ("Proposals").

The exercise period for the warrant is ten (10) years from 19 September 2011 up to and including 18 September 2021. Each warrant entitles its registered holder the right to subscribe for one (1) new ordinary share of RM0.10 each in the Company at an exercise price of Rm0.10 per share until the expiry of the exercise period.

Pursuant to the Proposals, an application was made to Securities Commission by Ang Chuang Juay and his person acting in concert ("PAC"), seeking an exemption under Paragraph 16.1, Practice Note (PN) 9 of the Malaysian Code in Takeovers and Mergers 2010 (Code) from the obligation to undertake a mandatory offer for the remaining voting shares in CCHB ("Proposed Exemption").

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

The following are the relevent disclosures made in compliance with the disclosure conditions imposed by the SC:-  
 (i) The details of the shareholdings of the PAC and their entitlement to the Rights Issue are as follows:

Direct share holdings as at 17 February 2015

	No. of CCHB Shares	%	No. of Warrants	%
CSC	18,287,382	8.87	4,466,070	7.34
ACJ	11,665,752	5.66	-	-
Total	29,953,134	14.53	4,466,070	7.34

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

(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 17.82% of the issued and paid-up share capital of CCHB.

(iv) The PAC shall not undertake the acquisition of voting shares or voting shares or 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.

The Proposals was completed on 3 October 2011 with the listing and quotation for 60,847,500 new CCHB shares ("Rights Shares") together with 60,847,500 free detachable warrants ("Warrants").

**(iii) Proposed Acquisition - Kejuruteraan Asastera Sdn Bhd**

As part of the Company's expansion plan, the Company is to acquire Kejuruteraan Asastera Sdn. Bhd. (Company No. 420505-H), a private limited company which specialises in the provision of electrical and mechanical engineering services within the construction industry. The acquisition has been approved by the Board, which is subjected to the outcome of the due diligence. The Company has set up a due diligence working group specifically for this exercise.

**(iv) New Subsidiary**

Rapidconn (Shenzhen) Co Ltd, a wholly-owned subsidiary of the Company has entered into an agreement with Mr. Zhou Jian, a Chinese national, to form a new co (NewCo) in Shenzhen, China. This is subject to a satisfactory review to be conducted internally by the Company.

RCC shall become the majority shareholder of the NewCo by way of cash injection of RenMinBi ("RMB") 3,000,000/-, equivalent to a 60%-stake in the capital of the NewCo, while Mr. Zhou shall inject RMB2,000,000/-, equivalent to the remaining 40%-stake in the capital of the NewCo.

The shareholding structure of the NewCo shall be as follows:

Shareholders	No. of Subscription Shares @ RMB1/- per share	Percentage of Issued and Paid-Up Capital (%)
RCC	3,000,000	60
Zhou Jian	2,000,000	40
<b>Total</b>	<b>5,000,000</b>	<b>100</b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2014

(iii) Status of Utilization of Proceeds Raised From Private Placement

The Company had on 20 June 2014 completed the first tranche of the Private Placement with the listing of and quotation for 16,902,900 new Connect shares on the ACE Market of Bursa Malaysia Securities Berhad ("Placement Shares") at an issue price of RM0.168 each.

The Company had on 4 November 2014, fully completed the Private Placement with the listing of and quotation for the remaining 17,455,600 Placement Shares on the ACE market of Bursa Malaysia Securities Berhad at an issue price of RM0.133 each.

Following the completion of the Private Placement, the Company raised actual total gross proceed of RM5,161,282, the utilisation of which has been revised as follows:-

Description	Proposed Utilization RM'000	Revised Utilization RM'000	Actual Utilization As at 31 DEC 2014 RM'000	Balance RM'000	Estimated timeframe for utilization of proceeds	
Working capital for:						
- Increased Rapid Conn (Shen Zhen) Co., Ltd. ("RCC") paid up capital	3,960,000	2,960,000	1,350,000	1,610,000	Within 6 months	***
- MyGenBizz Berhad, a 51% subsidiary of the Company ("MyGenBizz")	1,026,000	900,000	900,000	-	Completed	**
- Administrative expenses of other companies under Connect group of companies ("Connect Group")	698,530	1,084,208	711,881	372,327	Within 12 months	*
Estimate expenses in relation to the Proposed Private Placement	500,000	217,074	217,074	-	Completed	
<b>Total</b>	<b>6,184,530</b>	<b>5,161,282</b>	<b>3,178,955</b>	<b>1,982,327</b>		

\*\*\* Due to the difference between actual proceeds received from the private placement and proposed private placement. Therefore amendment were made in RCC paid up capital.

\*\* Repayment of advance for working capital of MyGenBizz Berhad.

\* The excess balances from MyGenBizz and estimate expenses in relation to the Proposed Private Placement are grouped under the administrative expenses.

	Proposed RCC RM	Revised RCC RM
Purchase of raw materials such as raw cooper cables, plastics, interjects and packaging materials	1,970,000	1,470,000
Purchase of tools and equipments such as cable assembly and moulding equipement as well as crimping machines	1,500,000	1,000,000
Production labour costs	490,000	490,000
	<u>3,960,000</u>	<u>2,960,000</u>

**B7 GROUP BORROWINGS**

	Quarter ended 31 DEC 2014	Quarter ended 31 DEC 2013
<b>Short term borrowings (RM)</b>		
Secured	<u>114,094</u>	<u>51,728</u>
<b>Long-term borrowings (RM)</b>		
Secured	<u>266,715</u>	<u>122,598</u>
<b>Total Borrowings (RM)</b>	<u><u>380,809</u></u>	<u><u>174,326</u></u>

**DENOMINATED IN FOREIGN CURRENCY**

	Foreign Currency	RM Equivalent	Foreign Currency	RM Equivalent
Short term borrowings:				
Secured (in Singapore Dollars)	-	-	-	-
Secured (in US Dollars)	17,365	60,760	15,675	51,728
Secured (in Chinese RMB)	94,614	53,334	-	-
		<u>114,094</u>		<u>51,728</u>
Long term borrowings:				
Secured (in Singapore Dollars)	-	-	-	-
Secured (in US Dollars)	76,226	266,715	37,151	122,598
		<u>266,715</u>		<u>122,598</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2014

**B8 MATERIAL LITIGATIONS**

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

**B9 DIVIDENDS**

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

**B10 EARNINGS PER SHARE**

(i) Basic earnings per share

The basic earnings per share was calculated by dividing the net profit for the current financial quarter and the current financial year to date by the weighted average number of ordinary shares in issued.

	Quarter ended		Year to date	
	31 DEC 2014	31 DEC 2013	31 DEC 2014	31 DEC 2013
	RM	RM	RM	RM
Net profit attributable to shareholders	(1,956,043)	(1,117,732)	(3,338,329)	(1,100,822)
Weighted average number of shares - basic	200,269,622	171,792,920	184,620,339	171,792,920
<b>Basic profit per share (sen)</b>	<b>(0.98)</b>	<b>(0.65)</b>	<b>(1.81)</b>	<b>(0.64)</b>

(ii) Diluted earnings per share

The diluted earnings per share was calculated by dividing the net profit for the current financial quarter and year to date by the weighted average number of ordinary shares based on the assumption that the Warrants issued are fully exercised and converted into ordinary shares.

	Quarter ended		Year to date	
	31 DEC 2014	31 DEC 2013	31 DEC 2014	31 DEC 2013
	RM	RM	RM	RM
Net profit attributable to shareholders	(1,956,043)	(1,117,732)	(3,338,329)	(1,100,822)
Weighted average number of shares - basic	200,269,622	171,792,920	184,620,339	171,792,920
Add:				
Assuming conversion of Warrants	60,846,600	60,846,600	60,846,600	60,846,600
Weighted average number of shares - diluted	261,116,222	232,639,520	245,466,939	232,639,520
<b>Diluted earnings per share (sen)</b>	<b>N/A(*)</b>	<b>N/A(*)</b>	<b>N/A(*)</b>	<b>N/A(*)</b>

Note:-

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

**B11 REALISED AND UNREALISED PROFITS/(LOSSES) DISCLOSURE**

The accumulated losses of the Group may be analyzed as follows:-

	As At 31 DEC 2014 RM	(Audited) As At 31 DEC 2013 RM
Total accumulated losses of the Group:		
- Realised	(7,415,526)	(4,740,401)
- Unrealised	377,306	356,819
	<u>(7,038,220)</u>	<u>(4,383,582)</u>
Less: Consolidated adjustments	-	-
Accumulated losses as per financial statements	<u>(7,038,220)</u>	<u>(4,383,582)</u>

**B12 NOTE TO THE STATEMENT OF COMPREHENSIVE INCOME**

	Current Quarter Ended		Year to date	
	31 DEC 2014	31 DEC 2013	31 DEC 2014	31 DEC 2013
	RM	RM	RM	RM
Depreciation of property, plant and equipment	304,808	264,558	1,132,390	1,090,701
Goodwill written off	-	-	949,000	-
Interest expense	76,871	21,531	93,281	78,190
Interest income	(170)	83	(429)	508
(Gain)/loss in foreign exchange - unrealized	(394,085)	(8,497)	(377,306)	(334,582)
Gain/(loss) on disposal of property, plant and equipment	93,997	-	44,573	-
Provision of impairment in investment	900,000	-	900,000	-
Reversal of impairment loss on receivables	523,601	-	523,601	-
Plant and equipment written off	50,994	-	50,994	43,288