

8. RELATED PARTY TRANSACTIONS/CONFLICTS OF INTEREST**8.1 EXISTING AND PROPOSED RELATED-PARTY TRANSACTIONS AND CONFLICT OF INTEREST**

The Group has ongoing trade transactions with companies, which the promoters, directors and/or substantial shareholders of CCHB are substantial shareholders and/or directors. Details of the related party transactions are as follows: -

Interested promoter / director / substantial shareholder	Related party	Nature of transaction	Transaction value for financial year ended 31 December 2004 (RM'000)
Chng Seng Chye	Le Champ (S.E.A.) Pte. Ltd. ("Le Champ")	- Purchase of plant and equipment	1,098
Ang Chuang Juay	IDSM Electronics Sdn Bhd ("IDSM")	- Rental income - Purchase of PCB board	(5) 14

The interests of the promoters, directors and substantial shareholders of CCHB in the aforesaid transactions as at 31 August 2005 (being the latest practicable date prior to the printing of this Prospectus) are as follows: -

Interested promoter / director / substantial shareholder	Nature of interest
Chng Seng Chye	Director and controlling shareholder of Le Champ
Ang Chuang Juay	Substantial shareholder of IDSM

The transactions with related parties are of revenue in nature, which are required for the Group's day-to-day operations. The Directors and the substantial shareholders of CCHB have provided an undertaking that all the business transactions between the Group the Directors and substantial shareholders and persons connected to them and the key management of CCHB, shall be based on the arms length basis and on commercial terms and shall not be disadvantageous to the Group.

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8. RELATED PARTY TRANSACTIONS/CONFLICTS OF INTEREST (Cont'd)**8.2 TRANSACTION UNUSUAL IN THEIR NATURE OR CONDITIONS**

As at 31 August 2005 (being the latest practicable date prior to the printing of the Prospectus), there are no transactions of unusual in their nature or conditions involving goods, services, tangible or intangible assets, to which CCHB or its subsidiaries was a party in respect of the past one (1) financial year and the subsequent financial period thereof, if any, immediately preceding the hereof.

8.3 OUTSTANDING LOANS MADE BY CORPORATION OR ANY OF ITS PARENT OR SUBSIDIARIES TO/FOR THE BENEFIT OF RELATED PARTIES

Save as disclosed below, as at 31 August 2005 (being the latest practicable date prior to the printing of the Prospectus), there are no outstanding loans and/or guarantees made by CCHB or its subsidiaries to/for the benefit of related parties:-

- i) Banking Facilities from AmBank Berhad vide Letter of Offer dated 15 June 2004 CCSB for a facility of RM500,000-00 secured against a Corporate Guarantee of CCPL and the Joint and Several Guarantee of Ang Chuang Juay, Loh Tong Yew and Chin Hock Seng.
- ii) Al-ijarah Thumma Al-Bai (Non-act) Facility from AmFinance Berhad vide Letter of Offer dated 18 May 2004 to CCSB for an approved limit of RM1,000,000 to purchase equipment from Le Champ (SEA) Pte Ltd against a Corporate Guarantee of CCPL and the Joint and Several Guarantee of Ang Chuang Juay, Loh Tong Yew and Chin Hock Seng.
- iii) Factoring Facility granted by Malayan Banking Berhad vide Letter of Offer dated 1 November 2004 to CCPL for a facility up to USD600,000 secured against a fresh continuing Personal Guarantee from Ang Chuang Juay for USD600,000.
- iv) Letter of Offer dated 6 October 2000 from Bank Industri & Teknologi Malaysia Berhad making available to CCSB a term loan facility of RM1,500,000. The loan is secured by way of a debenture of a first fixed charge on the machinery and equipment financed by the bank and a debenture by way of a first fixed and floating charge on all present and future assets of the company and an irrevocable joint and several guarantees by Ang Chuang Juay, Chin Yin Por, Leong Lian Foong and Loh Tong Yew.

8.4 INTEREST IN SIMILAR BUSINESS

Save as disclosed below and to the best of knowledge and belief of the Directors and substantial shareholders of CCHB, as at 31 August 2005 (being the latest practicable date prior to the printing of the Prospectus), none of the other Directors and/or substantial shareholders of CCHB are interested, directly or indirectly in any business carrying on a similar trade as the Group.

Company	Principal Activity	Name	Date of Appointment As Director	Shareholding As At 31 August 2005 %
IDSM	Assembly of printed circuit boards	Ang Chuang Juay	-	9.33
Le Champ	Distributor of connectors	Chng Seng Chye	6.5.1982	90.00

8. RELATED PARTY TRANSACTIONS/CONFLICTS OF INTEREST (Cont'd)

Although the abovementioned Directors and/or substantial shareholders have businesses that carry on similar trade with the Group, these businesses are not in conflict with the existing business of the Group because:-

- IDSM is involved in the assemblies of PCBA and is a sub-contractor for several OEMs. CCSB currently has a Business Agreement to operate PCB assemblies for TEM. The Directors believe that there is no conflict of interest as the PCBA production assembly line at CCSB is not intended for the production of PCBA for customers other than TEM.
- Le Champ is involved in the distribution of standard connectors to customers as compared to custom designs provided by the Group.

Le Champ distributes standard connectors from Hirose (Japan) in the home appliance and mobile telecommunications industries whereas the Group targets its customised products to OEMs and sub-contracting manufacturers in the entertainment, broadband satellite telecommunication, computer, electronics and telecommunication network industries.

For these reasons, the Directors believe there is no conflict of interest.

To mitigate any potential conflict of interest, the Promoters, Directors and/or substantial shareholders have provided statutory declaration not to be involved in any new business in the future, which will give rise to competition/conflict with the current business of the Group as follows:-

Names	Designation	Date of Statutory Declaration
Chng Seng Chye	Promoter / Substantial Shareholder	9.6.2005
Ang Chuang Juay	Promoter / Substantial Shareholder / Director	13.6.2005
Lee Siew Kee	Promoter / Substantial Shareholder	10.6.2005
Ng Poh Seng	Promoter / Substantial Shareholder	14.6.2005
Noraini Binti Ahmad	Substantial Shareholder / Director	13.6.2005
Turker Hidirlar	Director	13.6.2005
Robert Jean Tondreault	Director	26.6.2005
Huang Yan Teo	Director	13.6.2005
Toh Wing Yew	Director	10.6.2005

8.5 PROMOTIONS OF ANY MATERIAL ASSETS ACQUIRED/TO BE ACQUIRED WITHIN TWO (2) YEARS PRECEDING THE DATE OF THIS PROSPECTUS

Saved as disclosed in Section 8.1, none of the other Directors and substantial shareholders has any interest, direct or indirect, in the promotion of or in any material assets acquired or proposed to be acquired or disposed or proposed to be disposed of or leased or proposed to be leased to the Company or any of its subsidiary and associated companies within the two (2) years preceding the date of this Prospectus.

8. RELATED PARTY TRANSACTIONS/CONFLICTS OF INTEREST (Cont'd)

8.6 CONTRACTS OR ARRANGEMENTS IN WHICH THE DIRECTORS OR SUBSTANTIAL SHAREHOLDERS IS INTERESTED AND SIGNIFICANT IN RELATION TO THE BUSINESS OF THE GROUP

Save as disclosed in Section 5.9, none of the other Directors and/or substantial shareholders of CCHB has interest in any contract or arrangement, which is significant in relation to the business of the Group

To mitigate any potential conflict of interest, the promoter, Director and/or substantial shareholder have provided written undertakings not to be involved in any new business in the future, which will give, rise to competition/conflict with the current business of the Group.

8.7 RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE

Saved as disclosed in Section 8.1, there is no other recurrent related party transaction of a revenue or trading in nature involving the Directors and/or substantial shareholders of CCHB.

8.8 DECLARATION BY THE ADVISERS

AmMerchant Bank has been appointed as the Adviser to CCHB in relation to the Listing. AmMerchant Bank hereby confirm that there is no conflict of interest in respect of their capacity as Adviser, Sponsor, Managing Underwriter, Underwriter and Placement Agent to the Group for the Public Issue.

Messrs Nora S.W. Lam & Associates hereby confirm that there is no conflict of interest in respect of their capacity as Solicitors for the due-diligence to the Group for the Public Issue.

Messrs. Ernst & Young hereby confirm that there is no conflict of interest with respect of their capacity as Auditors and Reporting Accountants to the Group for the Public Issue.

Bishop & Associates, Inc hereby confirm that there is no conflict of interest in respect of their capacity as Independent Market and Research Consultant to the Group for the Public Issue.

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