



## **CHUAN HUAT RESOURCES BERHAD**

Condensed Consolidated Financial Statements  
For the Quarter and Six Months Ended  
30 June 2010

**CHUAN HUAT RESOURCES BERHAD**Company No. 290729-W  
(Incorporated in Malaysia)**Condensed Consolidated Statement of Comprehensive Income****For the Quarter and Six months ended 30 June 2010**

(The figures below are unaudited)

	Individual quarter		Cumulative quarter	
	30-Jun-10 (RM'000)	30-Jun-09 (RM'000)	30-Jun-10 (RM'000)	30-Jun-09 (RM'000)
Revenue	149,993	134,808	279,277	249,757
Operating expenses	(138,225)	(127,790)	(262,370)	(236,849)
Depreciation and amortisation	(1,163)	(1,182)	(2,305)	(2,320)
Other income	433	910	1,274	1,331
<b>Operating profit</b>	<b>11,038</b>	<b>6,746</b>	<b>15,876</b>	<b>11,919</b>
Interest expenses	(1,459)	(1,306)	(2,823)	(2,984)
Interest income	288	279	500	663
<b>Profit before taxation</b>	<b>9,867</b>	<b>5,719</b>	<b>13,553</b>	<b>9,598</b>
Taxation	(2,690)	(1,518)	(3,654)	(2,798)
<b>Profit for the period</b>	<b>7,177</b>	<b>4,201</b>	<b>9,899</b>	<b>6,800</b>
Other Comprehensive income net of tax	-	-	-	-
<b>Total Comprehensive Income for the period</b>	<b>7,177</b>	<b>4,201</b>	<b>9,899</b>	<b>6,800</b>
<b>Profit attributable to:-</b>				
Owner of the parent	6,907	3,983	9,417	6,487
Non-Controlling Interest	270	218	482	313
<b>Profit for the period</b>	<b>7,177</b>	<b>4,201</b>	<b>9,899</b>	<b>6,800</b>
<b>Total Comprehensive Income attributable to:-</b>				
Owner of the parent	6,907	3,983	9,417	6,487
Non-Controlling Interest	270	218	482	313
<b>Total Comprehensive Income for the period</b>	<b>7,177</b>	<b>4,201</b>	<b>9,899</b>	<b>6,800</b>
<b>Earnings per share</b>				
Basic (sen)	5.51	3.18	7.51	5.17
Diluted (sen)	5.51	3.18	7.51	5.17

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

**CHUAN HUAT RESOURCES BERHAD**Company No. 290729-W  
(Incorporated in Malaysia)**Condensed Consolidated Statement of Financial Position****As at 30 June 2010**

(The figures below are unaudited)

	<b>Unaudited</b> <b>As at 30.06.10</b> <b>(RM'000)</b>	<b>Audited</b> <b>As at 31.12.09</b> <b>(RM'000)</b>
<b>ASSETS</b>		
<b>Non-Current assets</b>		
Property, plant & equipment	46,692	47,619
Investment properties	5,713	5,823
Prepaid land lease payments	11,302	11,455
Investments	2,834	2,839
Goodwill	777	777
	<u>67,318</u>	<u>68,513</u>
<b>Current assets</b>		
Inventories	72,383	77,196
Trade & other receivables	202,734	178,390
Cash & cash equivalents	22,002	17,121
	<u>297,119</u>	<u>272,707</u>
<b>TOTAL ASSETS</b>	<b><u>364,437</u></b>	<b><u>341,220</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share Capital	62,684	62,684
Reserves	72,538	64,719
	<u>135,222</u>	<u>127,403</u>
<b>Non-controlling interest</b>	<u>11,373</u>	<u>10,902</u>
<b>Total equity</b>	<u>146,595</u>	<u>138,305</u>
<b>Non-current liabilities</b>		
Borrowings	817	1,463
Hire purchase liabilities	2,502	2,827
Deferred tax liabilities	2,728	2,756
	<u>6,047</u>	<u>7,046</u>
<b>Current liabilities</b>		
Trade & other payables	38,332	41,582
Borrowings	170,979	153,391
Taxation	2,484	896
	<u>211,795</u>	<u>195,869</u>
	<u>217,842</u>	<u>202,915</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>364,437</u></b>	<b><u>341,220</u></b>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.08	1.02

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009 and accompanying explanatory notes attached to the interim financial statements.

**CHUAN HUAT RESOURCES BERHAD**Company No. 290729-W  
(Incorporated in Malaysia)**Condensed Consolidated Statement of Changes in Equity  
For the Six months ended 30 June 2010**

(The figures below are unaudited)

	Attributable to equity holders of the Company					Total equity (RM'000)
	Share Capital (RM'000)	Non-Distributable Capital Reserves (RM'000)	Distributable Accumulated profits (RM'000)	Total (RM'000)	Minority interests (RM'000)	
At 1 January 2010	62,684	21,923	42,796	127,403	10,902	138,305
Effects of applying FRS 139	-	-	(188)	(188)	-	(188)
Restated balance	62,684	21,923	42,608	127,215	10,902	138,117
Total comprehensive income for the period	-	-	9,417	9,417	482	9,899
Dividend paid	-	-	(1,410)	(1,410)	(11)	(1,421)
At 30 June 2010	62,684	21,923	50,615	135,222	11,373	146,595
At 1 January 2009	62,684	21,073	33,018	116,775	10,467	127,242
Total comprehensive income for the period	-	-	6,487	6,487	313	6,800
Issue of shares to non-controlling interest	-	-	-	-	57	57
At 30 June 2009	62,684	21,073	39,505	123,262	10,837	134,099

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009 and accompanying explanatory notes attached to the interim financial statements.

**CHUAN HUAT RESOURCES BERHAD**Company No. 290729-W  
(Incorporated in Malaysia)**Condensed Consolidated Statement of Cash Flows****For the Six months ended 30 June 2010**

(The figures below are unaudited)

	<b>6 months ended</b>	
	<b>30 Jun 10</b>	<b>30 Jun 09</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
<b>Cash flows from operating activities</b>		
Profit before tax	13,553	9,598
<b>Adjustment for non-cash flow :-</b>		
Depreciation and amortization	2,305	2,320
Interest expenses	2,823	2,984
Interest income	(500)	(663)
Non-cash items	998	5,082
Operating profit before changes in working capital	<u>19,179</u>	<u>19,321</u>
Changes in working capital:		
Net change in current assets	(20,737)	(25,676)
Net change in current liabilities	(3,251)	7,369
Cash (used) in/ generated from operations	<u>(4,809)</u>	<u>1,014</u>
Interest received	500	663
Interest expenses paid	(2,823)	(2,984)
Net tax paid	(2,015)	(2,312)
<b>Net cash used in operating activities</b>	<b><u>(9,147)</u></b>	<b><u>(3,619)</u></b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(831)	(1,646)
Proceeds from disposal of property, plant and equipment	21	1,301
Proceeds from disposal of investment property	92	-
Proceeds from issuance of shares to minority interest	-	57
<b>Net cash used in investing activities</b>	<b><u>(718)</u></b>	<b><u>(288)</u></b>
<b>Cash flows from financing activities</b>		
Repayments of term loans	(699)	(1,447)
Net repayments of hire purchase liabilities	(775)	(715)
Net (repayment)/ proceeds from of short term borrowings	16,307	(1,002)
Dividend paid	(1,410)	-
Dividend paid to non-controlling interest	(11)	-
Increased in fixed deposit pledged	(8)	-
<b>Net cash generated from/ (used) in financing activities</b>	<b><u>13,404</u></b>	<b><u>(3,164)</u></b>
Net (decrease)/ increase in cash & cash equivalents	3,539	(7,071)
Cash & cash equivalents at beginning of the period	<u>14,909</u>	<u>25,821</u>
<b>Cash &amp; cash equivalents at end of the period</b>	<b><u>18,448</u></b>	<b><u>18,750</u></b>

*The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009 and accompanying explanatory notes attached to the interim financial statements*

**PART A- EXPLANATORY NOTES PURSUANT TO FRS 134****1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards (“FRS”), FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2009. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2009.

The interim financial statements have been prepared in accordance with the same accounting policies and methods of computation adopted in audited financial statements for the financial year ended 31 December 2009, EXCEPT for the following new and revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretation which are applicable to its financial statements:

FRS 7	Financial Instruments: Disclosures.
FRS 8	Operating Segments.
FRS 101	Presentation of Financial Statements.(revised)
FRS 123	Borrowing Costs (revised).
FRS 139	Financial Instruments: Recognition and Measurement.
Amendments to FRS 7	Financial Instruments: Disclosure
Amendments to FRS 8	Operating Segments
Amendments to FRS 107	Statement of Cash Flows
Amendments to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to FRS 110	Events after Reporting Period
Amendments to FRS 116	Property, Plant and Equipment
Amendments to FRS 117	Leases
Amendments to FRS 118	Revenue
Amendments to FRS 119	Employee Benefits
Amendments to FRS 123	Borrowing Costs
Amendments to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 128	Investments in Associates
Amendments to FRS 131	Interest in Joint Ventures
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 136	Impairment of Assets
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment

The Principal effects of the changes in presentation, changes in methods of computation and in accounting policies resulting from the adoption of the new and revised FRSs, IC Interpretations and Amendments are set out below:

(a) FRS 8, Operating Segments

FRS 8, requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a result, the Group's segmental reporting had been presented based on the internal reporting to the chief operating decision maker who makes decisions on the allocation of resources and assesses the performance of the reportable segment. This standard does not have any impact on the financial position and results of the Group.

(b) FRS 101, Presentation of Financial Statements

FRS 101 separates owner and non-owner changes in equity. Therefore, the current consolidated statement of changes only includes details of transactions with owners. All non-owner changes in equity are presented as a single line labeled as total comprehensive income. Comparative information, with exception of the requirements under FRS 139, had been re-presented so that it is also in conformity with the revised standard. This standard does not have any impact on the financial position and results of the Group.

(c) FRS 139, Financial Instruments: Recognition and Measurement

Prior to the adoption of FRS 139, financial derivatives were recognised on their settlement dated. Outstanding derivatives at the balance sheet date were not recognised. With the adoption of FRS 139, all financial assets and financial liabilities, including derivatives, are recognised at contract dated when, and only when, the Company or any subsidiary becomes a party to the contractual provisions of the instruments.

The measurement bases applied to the financial assets and financial liabilities in the prior financial year are changed to conform to the measurement standards of FRS 139 in the current quarter. At initial recognition, all financial assets and financial liabilities are measured at their fair value plus in the case of financial instruments not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issuance of the instruments. Subsequent to their initial recognition, the financial assets and financial liabilities are measured as follows:

	<b>Category</b>	<b>Measurement basis</b>
1	Financial instruments at fair value through profit loss	At fair value through profit or loss
2	Held –to-maturity investments	At amortised costs effective interest method
3	Loans and receivables	At amortised costs effective interest method
4	Available-for-sale investment	At fair value through other comprehensive income, unless fair value cannot be reliably measured, in which case, they are measured at cost
5	Loans and other financial liabilities	At amortised cost effective interest method

In accordance with FRS 139, the recognition, derecognition, measurement and hedge accounting requirements are applied prospectively from 1 January 2010. The effects of the re-measurement on 1 January 2010 of the financial assets and financial liabilities brought forward from the previous financial year are adjusted to the opening retained earnings as disclosed in the statement of changes in equity.

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The adoption of the above new policies has the following effects:

	Retained Profit/(loss) (RM'000)
At 1 January 2010, as previously stated	42,796
Adjustments arising from adoption of FRS 139:	
- Loan and receivables	(188)
At 1 January 2010, as restated	42,608

The adoption of the other new and revised FRSs, IC Interpretations and Amendments has no material effect to the Group's consolidated financial statements of the quarter or the comparative consolidated financial statements of the prior financial year.

### 2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2009 was not qualified.

### 3. Seasonality or Cyclicity of Interim Operations

The Group's performance was not affected by any significant seasonal or cyclical factors in the current quarter under review.

### 4. Unusual Items affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the quarter and six months ended 30 June 2010.

### 5. Changes in Estimates

There were no changes in estimates that have had a material effect during the quarter and six months ended 30 June 2010.

### 6. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities during the quarter and six months ended 30 June 2010.



**CHUAN HUAT RESOURCES BERHAD**Company No. 290729-W  
(Incorporated in Malaysia)**7. Dividends Paid**

	3 months ended		6 months ended	
	30.06.10 (RM'000)	30.06.09 (RM'000)	30.06.10 (RM'000)	30.06.09 (RM'000)
<b>Ordinary Shares</b>				
<u>Interim dividend paid</u> [YE2009-1.5sen gross per Ordinary Shares (50sen), less Income tax at 25%]	1,410	-	1,410	-

**8. Segment Information**

	3 months ended		6 months ended	
	30.06.10 (RM'000)	30.06.09 (RM'000)	30.06.10 (RM'000)	30.06.09 (RM'000)
<b>Segment Revenue</b>				
Trading in hardware & building materials	193,894	161,615	348,457	298,034
Trading of IT related products	17,654	13,762	33,509	24,873
Investment holding	426	425	851	850
Trading in properties	157	92	298	174
Total revenue including inter-segment sales	212,131	175,894	383,115	323,931
Elimination of inter segment sales	(62,138)	(41,086)	(103,838)	(74,174)
Total revenue	149,993	134,808	279,277	249,757
<b>Segment Results</b>				
<u>Profit/ (loss) from operations</u>				
Trading in hardware & building materials	11,053	6,822	15,679	12,137
Trading of IT related products	427	234	792	376
Investment holding	(540)	(330)	(804)	(650)
Trading in properties	98	20	209	56
	11,038	6,746	15,876	11,919
<u>Profit/ (loss) before taxation</u>				
Trading in hardware & building materials	9,903	5,811	13,384	9,852
Trading of IT related products	437	267	826	452
Investment holding	(540)	(338)	(805)	(671)
Trading in properties	67	(21)	148	(35)
	9,867	5,719	13,553	9,598

## **9. Carrying Amount of Revalued Assets**

There were no revaluation of property, plant and equipment brought forward from the previous audited financial statements as the Group did not adopt a revaluation on its property, plant and equipment.

## **10. Material Events Subsequent to the Balance Sheet Date**

Save as disclosed below, there were no material events which occurred subsequent to the balance sheet date as at [date]:-

On 27 July 2010, HwangDBS Investment Bank Berhad has on behalf of the Board of Directors of the Company announced that the Company proposes to implement the following corporate exercise:-

- (i) proposed bonus issue of 41,789,066 new ordinary shares of RM0.50 each in CHRB ("CHRB Shares") ("Bonus Shares"), to be credited as fully paid up, on the basis of one (1) Bonus Share for every three (3) CHRB Shares held ("Proposed Bonus Issue");
- (ii) proposed renounceable rights issue of 41,789,066 five (5)-year warrants 2010/2015 ("Warrants") on the basis of one (1) Warrant for every four (4) CHRB Shares held after the Proposed Bonus Issue at an issue price of RM0.02 per Warrant;
- (iii) proposed increase in authorised share capital of CHRB from RM100,000,000 comprising 200,000,000 CHRB Shares to RM500,000,000 comprising 1,000,000,000 CHRB Shares by the creation of an additional 800,000,000 CHRB Shares ("Proposed Increase in Authorised Share Capital"); and
- (iv) proposed alteration of M&A of CHRB to ensure the M&A reflects the Proposed Increased in Authorised Share Capital

(collectively referred to as "Proposals")

The above Proposals are conditional upon the approval of all relevant authorities including Bursa Securities, Bank Negara Malaysia, Securities Commission and to be tabled for the approval by the shareholders at an Extraordinary General Meeting ("EGM") to be convened at a date to be determined later.

## **11. Changes in Composition of the Group**

There were no changes in the composition of the Group during the quarter and six months ended 30 June 2010.

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### 12. Contingent Liabilities/Contingent Assets

	30/06/10 (RM'000)	31/12/09 (RM'000)	Changes (RM'000)
Corporate guarantees in respect of banking facilities granted to subsidiary Companies	192,423	193,423	(1,000)
Corporate guarantees in respect of the Supply of goods to subsidiary companies	14,000	14,000	-

### 13. Capital Commitments

The Group has commitments as follows:

	30/06/10 (RM'000)	31/12/09 (RM'000)	Changes (RM'000)
Capital expenditure approved and contracted for	1,130	1,130	-

### 14. Related Party Transactions

The related parties of the Group and of the Company comprise the following:

Related companies being subsidiary companies of Chuan Huat Resources Berhad (CHRB) are as follow:-

- i) Chuan Huat Metal Sdn Bhd (CHM), a 80% owned subsidiary
- ii) Discomp Berhad (DCB), a 63.85% owned subsidiary and it's subsidiary companies (DCB Group)
- iii) Keyline Consulting Sdn Bhd (KLC), a 70% owned subsidiary
- iv) CHRB Building Materials Sdn Bhd (CHRBBM), a 60% owned subsidiary

Other related parties being an associated company of the Chuan Huat Resources Berhad Group of companies and companies in which Directors of the Company and Directors of subsidiary companies have an interest.

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The significant related party transactions are as follows:

	6 months ended 30/06/10 (RM'000)	6 months ended 30/06/09 (RM'000)
<b>a) Sale of goods to</b>		
i) <u>Other related parties</u>		
Ahmad Zaki Sdn Bhd	9,994	4,206
ii) <u>Subsidiaries</u>		
CHM	950	245
KLC	1,610	358
CHRB BM	443	1,429
<b>b) Purchase of goods from</b>		
i) <u>Other related parties</u>		
Anshin Steel Processor Sdn Bhd	1,424	1,035
ii) <u>Subsidiaries</u>		
KLC	834	477
CHM	943	1,188
CHRB BM	44	-
<b>c) Others</b>		
i) <u>Subsidiaries</u>		
Rental income received from subsidiaries	135	123
Security, water & electricity charges received from subsidiaries	19	13
Management fee and incentive received from subsidiaries	38	38
Interest expenses	102	56

Ahmad Zaki Sdn Bhd is a company in which Dato' Sri Haji Wan Zaki bin Haji Wan Muda, a Director of the Company, has a substantial financial interest.

Anshin Steel Processor Sdn Bhd is a company in which Dato' Lim Khoo Heng is a Director and has indirect interest through Chuan Huat Hardware Holdings Sdn Bhd, a 100% owned subsidiary of CHRB.

In the opinion of the Directors, the above related party transactions have been entered into in the normal course of business and have been established under terms that are no more favourable than those arranged with independent third parties.

**CHUAN HUAT RESOURCES BERHAD**Company No. 290729-W  
(Incorporated in Malaysia)**15. Cash and Cash Equivalents**

	6 months ended	
	30/06/10 (RM'000)	30/06/09 (RM'000)
Fixed deposit with a licensed bank	4,931	6,798
Cash and bank balances	17,071	13,381
Bank overdraft	(2,755)	(638)
	<u>19,247</u>	<u>19,541</u>
Less : Fixed Deposits pledged	(799)	(791)
	<u>18,448</u>	<u>18,750</u>

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**CHUAN HUAT RESOURCES BERHAD**Company No. 290729-W  
(Incorporated in Malaysia)**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****16. Performance Review**

	3 months ended		6 months ended	
	30/06/10 (RM'000)	30/06/09 (RM'000)	30/06/10 (RM'000)	30/06/09 (RM'000)
Revenue				
- continuing operations	149,993	134,808	279,277	249,757
Profit before taxation				
- continuing operations	9,867	5,719	13,553	9,598

The Group's revenue for the second quarter and six (6) months financial period ended 30 June 2010 have increased by approximately 11% and 12%, as compared to the preceding year's corresponding financial period ended 30 June 2009. The increases were mainly due to the higher selling price of steel products.

The Group has also achieved better profits before tax of RM9.9 million for the second quarter and RM13.6 million for the six (6) months financial period ended 30 June 2010 as compared to RM5.7 million and RM9.6 million in the corresponding financial period ended 30 June 2009. These represents increases of 72% and 41% respectively against the corresponding financial period and were due mainly to the higher selling price of steel products during the period under review

**17. Variation of results against preceding quarter**

	3 months ended	
	30/06/10 (RM'000)	31/03/10 (RM'000)
Revenue	149,993	129,284
Profit before taxation	9,867	3,686

During the financial quarter under review, the Group recorded a profit before taxation of RM9.87 million, as compared to the profit before tax of RM3.69 million for the preceding quarter ended 31 March 2010. The increase of profit before taxation is mainly due to the increase in both revenue and gross profit margins of the steel products.

**18. Commentary on Prospects**

The construction industry is expected to be on the growth path with the implementation of various government infrastructure projects and the private sector is also launching various housing projects throughout the country. With this optimistic outlook, the group is expanding its steel service center division by upgrading and increasing the production capacity to cater to the increased demand.

Disccomp Berhad, the subsidiary company within the group is also looking at adding in new retail outlets, especially in the outstation area to capture a bigger market share for its IT products. With the growth in the GDP and the confidence in consumer's spending, the retail industry is also expected to be good.

**19. Profit Forecast and Profit Guarantee**

The Group did not announce any profit forecast or profit guarantee for the financial year ending 31 December 2010.

**20. Income Tax Expenses**

	3 months ended		6 months ended	
	30/06/10	30/06/09	30/06/10	30/06/09
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Malaysia income tax				
- current	2,702	1,291	3,770	2,592
- under/(over) provision in prior years	(88)	18	(88)	112
	<u>2,614</u>	<u>1,309</u>	<u>3,682</u>	<u>2,704</u>
Deferred taxation	76	209	(28)	94
<b>TOTAL</b>	<u><b>2,690</b></u>	<u><b>1,518</b></u>	<u><b>3,654</b></u>	<u><b>2,798</b></u>

The effective tax rate for the financial period ended 30 June 2010 and 30 June 2009 are not reflective of the statutory tax rate principally due to the losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries, and certain expenses which are not deductible for tax purposes.

**21. Sale of Unquoted Investment and Properties**

There were no sales of unquoted investments for the current quarter and financial period to date. The sale of a apartment in the current quarter resulted in a loss of RM18,000 and is recognized in the operating expenses.

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### 22. Quoted Securities

- (a) There were no purchase or disposal of quoted securities during the quarter under review and financial year-to-date.
- (b) Total investment in quoted securities by the Group as at 30 June 2010 were as follows:-

	6 months ended	
	30/06/10 (RM'000)	30/06/09 (RM'000)
At cost	18	18
At book value	5	5
At market value	5	5

### 23. Corporate Proposals

The Group does not have any corporate proposals announced but not completed as at the date of this report.

### 24. Borrowings

	6 months ended	
	30/06/10 (RM'000)	30/06/09 (RM'000)
<u>Short Term</u>		
Bank overdrafts (unsecured)	2,755	638
Bills payable (unsecured)	166,931	157,253
Term loans (amount payable within 12 months)	1,293	2,109
	<u>170,979</u>	<u>160,000</u>
<u>Long Term</u>		
Term Loans (secured)	2,110	4,289
Less : amount payable within 12 months	(1,293)	(2,109)
	<u>817</u>	<u>2,180</u>

### 25. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this report.

### 26. Changes in Material Litigation

As at date of this report, there were no changes in material litigation, including the status of pending material litigation since the last annual balance sheet date of 31 December 2009.



## CHUAN HUAT RESOURCES BERHAD

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### 27. Dividends

The Board of Directors recommended a final dividend of 2.0 sen gross per ordinary share, less income tax at 25% in addition to the interim dividend of 1.5 sen gross per ordinary share less income tax at 25% which was paid on 8 April 2010 in respect of the financial year ended 31 December 2009 (2008: final dividend of 4.0 sen gross per ordinary share, less income tax at 25% in addition to the interim dividend of 1.5 sen gross per ordinary share less income tax at 26%) and was approved by the shareholders at the Sixteen Annual General Meeting of CHRB held on 29 June 2010. The dividend was paid on 18 August 2010.

The entitlement date was fixed on 30 July 2010 and a Depositor shall qualify for entitlement only in respect of:

- (a) Shares transferred into Depositor's Securities Account before 4.00 p.m. on 30 July 2010 in respect of ordinary transfers;
- (b) Share bought on the Bursa Malaysia on a cum entitlement basis according to the rules of the Bursa Malaysia

### 28. Earnings per share

Basic and diluted earnings per share

The basic and diluted earnings per share is calculated by dividing the profit attributable to owners of the parent for the period by the total average number of ordinary shares of the Company in issue for the respective period as follows:

	3 months ended		6 months ended	
	30/06/10 (RM'000)	30/06/09 (RM'000)	30/06/10 (RM'000)	30/06/09 (RM'000)
Profit attributable to the owners of the parent (RM'000)	6,907	3,983	9,417	6,487
Total number of ordinary shares in issue ('000)	125,367	125,367	125,367	125,367
Basic earnings per share (sen)	5.51	3.18	7.51	5.17

There were no potential dilutive components in the shareholdings of the Company as at 30 June 2010 and 30 June 2009.

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**29. Authorisation for Issue**

This interim financial statement were authorised for issue by the Board of Directors in accordance with a resolution of the Directors.

**BY ORDER OF THE BOARD**

**DATO' LIM LOONG HENG  
DEPUTY MANAGING DIRECTOR**

Date: 27 August 2010