



## **CHUAN HUAT RESOURCES BERHAD**

Condensed Consolidated Financial Statements  
For the Quarter and Twelve Months Ended  
31 December 2010

**CHUAN HUAT RESOURCES BERHAD**Company No. 290729-W  
(Incorporated in Malaysia)
**Condensed Consolidated Statement of Comprehensive Income**  
**For the Quarter and Twelve months ended 31 December 2010**

(The figures below are unaudited)

	Individual quarter		Cumulative quarter	
	31-Dec-10 (RM'000)	31-Dec-09 (RM'000)	31-Dec-10 (RM'000)	31-Dec-09 (RM'000)
Revenue	139,105	132,860	551,583	514,554
Operating expenses	(134,462)	(127,408)	(522,966)	(487,328)
Depreciation and amortisation	(1,221)	(1,174)	(4,699)	(4,673)
Other income	1,289	489	2,880	2,622
<b>Operating profit</b>	<b>4,711</b>	<b>4,767</b>	<b>26,798</b>	<b>25,175</b>
Interest expenses	(1,736)	(1,242)	(6,376)	(5,437)
Interest income	204	207	870	1,163
<b>Profit before taxation</b>	<b>3,179</b>	<b>3,732</b>	<b>21,292</b>	<b>20,901</b>
Taxation	(550)	(1,204)	(5,583)	(5,925)
<b>Profit for the period</b>	<b>2,629</b>	<b>2,528</b>	<b>15,709</b>	<b>14,976</b>
Other Comprehensive income net of tax	-	-	-	-
<b>Total Comprehensive Income for the period</b>	<b>2,629</b>	<b>2,528</b>	<b>15,709</b>	<b>14,976</b>
<b>Profit attributable to:-</b>				
Owner of the parent	2,334	2,488	14,622	14,388
Non-Controlling Interest	295	40	1,087	588
<b>Profit for the period</b>	<b>2,629</b>	<b>2,528</b>	<b>15,709</b>	<b>14,976</b>
<b>Total Comprehensive Income attributable to:-</b>				
Owner of the parent	2,334	2,488	14,622	14,388
Non-Controlling Interest	295	40	1,087	588
<b>Total Comprehensive Income for the period</b>	<b>2,629</b>	<b>2,528</b>	<b>15,709</b>	<b>14,976</b>
<b>Earnings per share</b>				
Basic (sen)	1.40	1.49	8.75	8.61
Diluted (sen)	1.40	1.49	8.75	8.61

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 31 December 2010**

(The figures below are unaudited)

	<b>Unaudited</b> <b>As at 31.12.10</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	49,219	47,619
Investment properties	5,713	5,823
Prepaid land lease payments	11,150	11,455
Investments	2,830	2,839
Goodwill	777	777
	<u>69,689</u>	<u>68,513</u>
<b>Current assets</b>		
Inventories	77,501	77,196
Trade & other receivables	201,376	178,390
Cash & cash equivalents	18,972	17,121
	<u>297,849</u>	<u>272,707</u>
<b>TOTAL ASSETS</b>	<b><u>367,538</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	83,578	62,684
Reserves	55,002	64,719
	<u>138,580</u>	<u>127,403</u>
<b>Non-controlling interest</b>	<u>12,038</u>	<u>10,902</u>
<b>Total equity</b>	<u>150,618</u>	<u>138,305</u>
<b>Non-current liabilities</b>		
Borrowings	719	1,463
Hire purchase liabilities	3,050	2,827
Deferred tax liabilities	2,936	2,756
	<u>6,705</u>	<u>7,046</u>
<b>Current liabilities</b>		
Trade & other payables	46,682	41,582
Borrowings	163,259	153,391
Taxation	274	896
	<u>210,215</u>	<u>195,869</u>
	<u>216,920</u>	<u>202,915</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>367,538</u></b>	<b><u>341,220</u></b>
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.83	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 Twelve months ended 31 December 2010**

(The figures below are unaudited)

	Attributable to equity holders of the Company			Total (RM'000)	Minority interests (RM'000)	Total equity (RM'000)
	Share Capital (RM'000)	Non- Distributable Capital Reserves (RM'000)	Distributable Accumulated profits (RM'000)			
At 1 January 2010	62,684	21,923	42,796	127,403	10,902	138,305
Effects of applying FRS 139	-	-	(154)	(154)	-	(154)
Restated balance	62,684	21,923	42,642	127,249	10,902	138,151
Total comprehensive income for the period	-	-	14,622	14,622	1,087	15,709
Dividend paid	-	-	(3,291)	(3,291)	(11)	(3,302)
Issue of shares by a subsidiary company to minority interest	-	-	-	-	60	60
Bonus issue	20,894	-	(20,894)	-	-	-
At 31 December 2010	83,578	21,923	33,079	138,580	12,038	150,618
At 1 January 2009	62,684	21,073	33,019	116,776	10,467	127,242
Total comprehensive income for the period	-	-	14,388	14,388	587	14,975
Dividend paid	-	-	(3,761)	(3,761)	(40)	(3,801)
Issue of shares by a subsidiary company to minority interest	-	-	-	-	57	57
Disposal of a subsidiary company	-	-	-	-	(169)	(169)
Capitalisation of bonus issue by a subsidiary company	-	850	(850)	-	-	-
At 31 December 2009	62,684	21,923	42,796	127,403	10,902	138,305

*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 Twelve months ended 31 December 2010**

(The figures below are unaudited)

	<b>12 months ended</b>	
	<b>31 Dec 10</b>	<b>31 Dec 09</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
<b>Cash flows from operating activities</b>		
Profit before tax	21,292	20,901
<b>Adjustment for non-cash flow :-</b>		
Depreciation and amortization	4,699	4,673
Interest expenses	6,376	5,437
Interest income	(870)	(1,163)
Non-cash items	(298)	514
Operating profit before changes in working capital	<u>31,199</u>	<u>30,362</u>
Changes in working capital:		
Net change in current assets	(23,224)	(21,110)
Net change in current liabilities	4,480	7,779
Cash (used) in/ generated from operations	<u>12,445</u>	<u>17,031</u>
Interest received	870	1,163
Interest expenses paid	(6,376)	(5,437)
Net tax paid	(6,571)	(5,084)
<b>Net cash generated from operating activities</b>	<b><u>378</u></b>	<b><u>7,673</u></b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,632)	(3,856)
Purchase of investment property	-	(280)
Proceeds from disposal of property, plant and equipment	199	1,339
Proceeds from disposal of investment property	627	-
Proceeds from disposal of quoted investment	4	-
Proceeds from issuance of shares to minority interest	60	57
Net cash inflow from disposal of a subsidiary company	-	70
<b>Net cash used in investing activities</b>	<b><u>(2,742)</u></b>	<b><u>(2,670)</u></b>
<b>Cash flows from financing activities</b>		
Repayments of term loans	(1,768)	(2,926)
Net repayments of hire purchase liabilities	(1,606)	(1,557)
Net (repayment)/ proceeds from of short term borrowings	9,607	(7,632)
Dividend paid	(3,291)	(3,761)
Dividend paid to non-controlling interest	(11)	(40)
Increased in fixed deposit pledged	(128)	(25)
<b>Net cash generated from/ (used) in financing activities</b>	<b><u>2,803</u></b>	<b><u>(15,884)</u></b>
Net (decrease)/ increase in cash & cash equivalents	439	(10,938)
Cash & cash equivalents at beginning of the year	<u>14,883</u>	<u>25,821</u>
<b>Cash &amp; cash equivalents at end of the year</b>	<b><u>15,322</u></b>	<b><u>14,883</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:

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### (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	(154)
At 1 January 2010, as restated	42,642

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. Realised and Unrealised Profits/ (Losses)**

	Accumulated Quarter Ended 31/12/2010 RM'000	Accumulated Quarter Ended 30/09/2010 RM'000
Total retained profits/ (accumulated losses) of the Company and its subsidiaries:		
- Realised	33,088	51,534
-Unrealised	291	371
	<u>33,379</u>	<u>51,905</u>
Less: Consolidation adjustments	(300)	(300)
Total Group retained profits/ (accumulated losses) as per consolidated accounts	<u>33,079</u>	<u>51,605</u>

**3. 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.

**4. 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.

**5. 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 twelve months ended 31 December 2010.



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**6. Changes in Estimates**

There were no changes in estimates that have had a material effect during the quarter and twelve months ended 31 December 2010.

**7. Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities during the quarter and twelve months ended 31 December 2010.

**8. Dividends Paid**

<b>Ordinary Shares</b>	12 months ended	
	31.12.10 (RM'000)	31.12.09 (RM'000)
<u>Final dividend paid</u> [YE2009-2.0 sen gross per Ordinary Shares (50sen), less Income tax at 25%]	1,881	-
<u>Interim dividend paid</u> [YE2009-1.5 sen gross per Ordinary Shares (50sen), less Income tax at 25%]	1,410	-
<u>Final dividend paid</u> [YE2008-4.0 sen gross per Ordinary Shares (50sen), less Income tax at 25%]	-	3,761
	<u>3,291</u>	<u>3,761</u>

**9. Segment Information**

<b>Segment Revenue</b>	3 months ended		12 months ended	
	31.12.10 (RM'000)	31.12.09 (RM'000)	31.12.10 (RM'000)	31.12.09 (RM'000)
Trading in hardware & building materials	163,941	157,930	668,983	613,495
Trading of IT related products	16,872	14,605	64,211	53,849
Investment holding	428	425	1,708	1,700
Trading in properties	2,532	146	4,023	422
Total revenue including inter-segment sales	<u>183,773</u>	<u>173,106</u>	<u>738,925</u>	<u>669,466</u>
Elimination of inter segment sales	(44,668)	(40,246)	(187,342)	(154,912)
Total revenue	<u>139,105</u>	<u>132,860</u>	<u>551,583</u>	<u>514,554</u>

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	3 months ended		12 months ended	
	31.12.10 (RM'000)	31.12.09 (RM'000)	31.12.10 (RM'000)	31.12.09 (RM'000)
<b>Segment Results</b>				
<u>Profit/ (loss) from operations</u>				
Trading in hardware & building materials	4,299	4,854	25,214	25,458
Trading of IT related products	627	47	1,764	681
Investment holding	(365)	(234)	(1,587)	(1,144)
Trading in properties	150	100	1,407	180
	<u>4,711</u>	<u>4,767</u>	<u>26,798</u>	<u>25,175</u>
<b>Segment Results</b>				
<u>Profit/ (loss) before taxation</u>				
Trading in hardware & building materials	2,761	3,834	19,721	21,264
Trading of IT related products	649	70	1,847	796
Investment holding	(365)	(236)	(1,587)	(1,172)
Trading in properties	134	64	1,311	13
	<u>3,179</u>	<u>3,732</u>	<u>21,292</u>	<u>20,901</u>

**10. 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.

**11. Material Events Subsequent to the Balance Sheet Date**

There were no material events which occurred subsequent to the balance sheet date until the date of this announcement.

**12. Changes in Composition of the Group**

There were no changes in the composition of the Group during the quarter and twelve months ended 31 December 2010.

**13. Contingent Liabilities/Contingent Assets**

	31/12/10 (RM'000)	31/12/09 (RM'000)	Changes (RM'000)
Corporate guarantees in respect of banking facilities granted to subsidiary Companies	<u>191,023</u>	<u>193,423</u>	<u>(2,400)</u>
Corporate guarantees in respect of the Supply of goods to subsidiary companies	<u>14,000</u>	<u>14,000</u>	<u>-</u>

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### 14. Capital Commitments

The Group has commitments as follows:

	31/12/10 (RM'000)	31/12/09 (RM'000)	Changes (RM'000)
Capital expenditure approved and contracted for	879	1,130	(251)

### 15. 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) Disccomp 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 (CHRB BM), 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.

The significant related party transactions are as follows:

	12 months ended 31/12/10 (RM'000)	12 months ended 31/12/09 (RM'000)
<b>a) Sale of goods to</b>		
i) <u>Other related parties</u>		
Ahmad Zaki Sdn Bhd	18,445	9,691
ii) <u>Subsidiaries</u>		
CHM	2,557	869
KLC	2,869	953
CHRB BM	3,357	3,906
<b>b) Purchase of goods from</b>		
i) <u>Other related parties</u>		
Anshin Steel Processor Sdn Bhd	2,687	2,713
ii) <u>Subsidiaries</u>		
KLC	1,864	1,325
CHM	2,371	3,689
CHRB BM	357	-

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**c) Others**i) Subsidiaries

Rental income received from subsidiaries	270	258
Security, water & electricity charges received from Subsidiaries	38	32
Management fee and incentive received from Subsidiaries	76	76
Interest expenses	171	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 Khoon Heng is a Director and has indirect interest through Chuan Huat Hardware Holdings Sdn Bhd, a 100% owned subsidiary of CHR.B.

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.

**16. Cash and Cash Equivalents**

	12 months ended	
	31/12/10 (RM'000)	31/12/09 (RM'000)
Fixed deposit with a licensed bank	9,444	7,016
Cash and bank balances	9,530	10,104
Bank overdraft	(2,708)	(1,421)
	16,266	15,699
Less : Fixed Deposits pledged	(944)	(816)
	15,322	14,883

**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****17. Performance Review**

	3 months ended		12 months ended	
	31/12/10 (RM'000)	31/12/09 (RM'000)	31/12/10 (RM'000)	31/12/09 (RM'000)
Revenue				
- continuing operations	139,105	132,860	551,583	514,554
Profit before taxation				
- continuing operations	3,179	3,732	21,292	20,901

The Group's revenue for both the fourth quarter and twelve (12) months for the financial year ended 31 December 2010 have increased by approximately 5% and 7% respectively, as compared to the preceding year's corresponding financial periods. The increases were mainly due to the improved selling price of steel products.

The Group recorded a profit before tax of RM3.2 million for the fourth quarter and RM21.3 million for the twelve (12) months financial year ended 31 December 2010 as compared to RM3.7 million and RM20.9 million in the corresponding financial periods.

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

	3 months ended	
	31/12/10 (RM'000)	30/09/10 (RM'000)
Revenue	139,105	133,201
Profit before taxation	3,179	4,560

During the financial quarter under review, the Group recorded a lower profit before taxation of RM3.18 million, as compared to the profit before tax of RM4.56 million for the preceding quarter ended 30 September 2010. The decrease of profit before taxation is mainly due to lower gross profit margin.

**19. Commentary on Prospects**

The Malaysian economy has registered a growth of 7.2% during the fiscal year 2010 and the nation's GDP growth of 2011 is expected to be maintained led by a sustained expansion in both private consumption and capital spending. The construction industry is also expected to grow as some of the mega projects announced during the recent national budget of 2011 are anticipated to take-off. In line with this optimistic outlook, the group has expanded its steel service center division by upgrading and increasing the production capacity to cater to the increased demand.

In anticipation of the continuing growth in the retail industry, the IT Division of the Group will follow through with the expansion plan of adding more retail outlets, especially in outstation areas. The Board is optimistic that these will contribute to the Group's performance.

**20. Profit Forecast and Profit Guarantee**

The Group did not announce any profit forecast or profit guarantee for the financial year ending 31 December 2011.

**21. Income Tax Expenses**

	3 months ended		12 months ended	
	30/09/10 (RM'000)	31/12/09 (RM'000)	31/12/10 (RM'000)	31/12/09 (RM'000)
Malaysia income tax				
- current	575	973	5,633	5,569
- under/(over) provision in prior years	(157)	138	(230)	210
	428	1,111	5,403	5,779
Deferred taxation	122	93	180	146
<b>TOTAL</b>	<b>550</b>	<b>1,204</b>	<b>5,583</b>	<b>5,925</b>

The effective tax rate for the financial year ended 31 December 2010 and 31 December 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.

**22. 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 investment properties during the financial year ended 31 December 2010 resulted in a profit of RM37,100 and is recognized in the other income.

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### 23. 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 31 December 2010 were as follows:-

	12 months ended	
	31/12/10 (RM'000)	31/12/09 (RM'000)
At cost	18	18
At book value	5	5
At market value	5	5

### 24. Corporate Proposals

The Group does not have any corporate proposals announced but not completed as at 21 February 2011 (the latest practical date which is not earlier than 7 days from the date of this report).

### 25. Borrowings

	12 months ended	
	31/12/10 (RM'000)	30/09/09 (RM'000)
<u>Short Term</u>		
Bank overdrafts (unsecured)	2,707	1,421
Bills payable (unsecured)	160,230	150,624
Term loans (amount payable within 12 months)	322	1,346
	<u>163,259</u>	<u>153,391</u>
<u>Long Term</u>		
Term Loans (secured)	1,041	2,809
Less : amount payable within 12 months	(322)	(1,346)
	<u>719</u>	<u>1,463</u>

### 26. Off Balance Sheet Financial Instruments

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

### 27. 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

Company No. 290729-W  
(Incorporated in Malaysia)



### 28. 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.

### 29. 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		12 months ended	
	31/12/10 (RM'000)	31/12/09 (RM'000)	31/12/10 (RM'000)	31/12/09 (RM'000)
Profit attributable to the owners of the parent (RM'000)	2,334	2,488	14,622	14,388
Total number of ordinary shares in issue ('000)	167,156	167,156	167,156	167,156
Basic earnings per share (sen)	1.40	1.49	8.75	8.61

Basic earnings per share for the corresponding periods of the last financial year was restated due to the bonus issue of 41,789,066 new ordinary shares during the quarter under review.

There were no potential dilutive components in the shareholdings of the Company as at 31 December 2010 and 31 December 2009.

### 30. 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: 25 February 2011