



**CHUAN HUAT RESOURCES BERHAD**  
(290729-W)

Condensed Consolidated Financial Statements  
For the Quarter and Six Months Ended  
30 June 2014

**CHUAN HUAT RESOURCES BERHAD**Company No. 290729-W  
(Incorporated in Malaysia)**Condensed Consolidated Statement of Financial Position  
As at 30 June 2014**

(The figures below have not been audited)

	<b>Unaudited As at 30.06.14 (RM'000)</b>	<b>Audited As at 31.12.13 (RM'000)</b>
<b>ASSETS</b>		
<b>Non-Current assets</b>		
Property, plant & equipment	157,143	82,506
Investment properties	31,893	13,242
Investments	3,894	3,874
Goodwill	777	777
	<u>193,707</u>	<u>100,399</u>
<b>Current assets</b>		
Inventories	108,390	100,223
Trade & other receivables	199,004	215,635
Cash & cash equivalents	33,367	25,646
	<u>340,761</u>	<u>341,504</u>
<b>TOTAL ASSETS</b>	<b><u>534,468</u></b>	<b><u>441,903</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share Capital	83,578	83,578
Reserves	162,894	82,389
	<u>246,472</u>	<u>165,967</u>
<b>Non-controlling interest</b>	14,230	13,968
<b>Total equity</b>	<u>260,702</u>	<u>179,935</u>
<b>Non-current liabilities</b>		
Borrowings	7,880	9,280
Deferred tax liabilities	14,356	1,788
	<u>22,236</u>	<u>11,068</u>
<b>Current liabilities</b>		
Trade & other payables	55,128	48,732
Borrowings	196,096	202,068
Taxation	306	100
	<u>251,530</u>	<u>250,900</u>
<b>Total liabilities</b>	<u>273,766</u>	<u>261,968</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>534,468</u></b>	<b><u>441,903</u></b>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.47	0.99

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying Notes to the Interim Financial Report and the audited financial statements of the Company for the financial year ended 31 December 2013*

**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 2014**

(The figures below have not been audited)

	Individual quarter		Cumulative quarter	
	30/06/14 (RM'000)	30/06/13 (RM'000)	30/06/14 (RM'000)	30/06/13 (RM'000)
Revenue	178,417	182,170	359,256	359,426
Operating expenses	(171,585)	(174,025)	(347,012)	(344,460)
Other income	805	401	1,640	1,776
<b>Operating profit</b>	<b>7,637</b>	<b>8,546</b>	<b>13,884</b>	<b>16,742</b>
Depreciation and amortisation	(1,885)	(1,672)	(3,809)	(3,316)
Interest expenses	(2,216)	(2,180)	(4,499)	(4,222)
Interest income	185	546	565	1,165
Provision for and write off of receivables	(745)	(209)	(1,113)	(408)
Provision for and write off of inventories	(18)	(28)	(21)	(28)
Gain/(loss) on disposal of quoted or unquoted investments or properties	-	60	-	60
Impairment of assets	(13)	(13)	(27)	(27)
Foreign exchange gain or loss	8	1	4	(2)
<b>Profit from operation</b>	<b>2,953</b>	<b>5,051</b>	<b>4,984</b>	<b>9,964</b>
Fair value gain on investment property	18,678	-	18,678	-
<b>Profit before tax</b>	<b>21,631</b>	<b>5,051</b>	<b>23,662</b>	<b>9,964</b>
Taxation	(814)	(1,167)	(1,695)	(2,326)
<b>Profit for the period</b>	<b>20,817</b>	<b>3,884</b>	<b>21,967</b>	<b>7,638</b>
Other Comprehensive Income net of tax				
Gain on revaluation of property	58,943	-	58,943	-
Exchange translation reserve	(93)	-	(151)	-
<b>Total Comprehensive Income for the period</b>	<b>79,667</b>	<b>3,884</b>	<b>80,759</b>	<b>7,638</b>
<b>Profit attributable to:-</b>				
Owner of the parent	20,679	3,626	21,713	7,126
Non-controlling interest	138	258	254	512
Profit for the period	20,817	3,884	21,967	7,638
<b>Comprehensive Income attributable to:-</b>				
Owner of the parent	79,529	3,626	80,505	7,126
Non-controlling interest	138	258	254	512
Comprehensive Income for the period	79,667	3,884	80,759	7,638
<b>Earnings per share (sen):-</b>				
Basic earning per share	12.37	2.17	12.99	4.26
Diluted earning per share	9.90	1.74	10.39	3.41

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying Notes to the Interim Financial Report and the audited financial statements of the Company for the financial year ended 31 December 2013.*

**CHUAN HUAT RESOURCES BERHAD**

Company No. 290729-W  
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**Condensed Consolidated Statement of Changes in Equity****For the Six months ended 30 June 2014**

(The figures below have not been audited)

	Attributable to equity holders of the parent					Distributable		Minority interests (RM'000)	Total Equity (RM'000)
	Non- Distributable			Revaluation Reserve (RM'000)	Retained Earnings (RM'000)	Total (RM'000)			
	Share Capital (RM'000)	Capital Reserve (RM'000)	Warrant Reserve (RM'000)				Exchange Translation Reserve (RM'000)		
At 1 January 2014	83,578	21,923	566	112	-	59,788	165,967	13,968	179,935
Total comprehensive income for the period	-	-	-	(151)	58,943	21,713	80,505	254	80,759
Acquisition of additional equity interests in subsidiary company	-	-	-	-	-	-	-	8	8
At 30 June 2014	83,578	21,923	566	(39)	58,943	81,501	246,472	14,230	260,702
At 1 January 2013	83,578	21,923	566	-	-	53,425	159,492	13,738	173,230
Total comprehensive income for the period	-	-	-	44	-	7,126	7,170	512	7,682
Disposal of subsidiary company	-	-	-	-	-	(1)	(1)	-	(1)
Acquisition of addition equity interests in subsidiary company	-	-	-	-	-	-	-	89	89
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(84)	(84)
At 30 June 2013	83,578	21,923	566	44	-	60,550	166,661	14,255	180,916

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying Notes to the Interim Financial Report and the audited financial statements of the Company for the financial year ended 31 December 2013*

**CHUAN HUAT RESOURCES BERHAD**

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**Condensed Consolidated Statement of Cash Flows  
For the Six months ended 30 June 2014**

(The figures below have not been audited)

	<b>6 months ended</b>	
	<b>30/06/14</b>	<b>30/06/13</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
<b>Cash flows from operating activities</b>		
Profit before tax from operation	23,662	9,964
<u>Adjustment for non-cash items :-</u>		
Depreciation and amortization	3,809	3,316
Interest expenses	4,499	4,222
Interest income	(565)	(1,165)
Provision for and write off of receivables	1,113	408
Non-cash items	(19,612)	(1,033)
Operating profit before working capital changes	12,906	15,712
Increase in inventories	(8,189)	(5,567)
(Increase)/decrease in receivables	15,710	(35,100)
Decrease in payables	6,400	5,124
Cash generated from operations	26,827	(19,831)
Interest received	453	1,082
Interest paid	(4,190)	(3,610)
Net tax (paid)/ refund	(874)	(138)
Net cash inflow/ (outflow) from operating activities	22,216	(22,497)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(6,530)	(1,567)
Purchase of investment and investment properties	(20)	(9)
Purchase of additional investment in subsidiary company	(10)	-
Net cash inflow from disposal of a subsidiary company	-	9
Proceeds from disposal of property, plant and equipment	93	132
Proceeds from disposal of investment property	-	330
Interest received	111	82
Interest paid	-	(451)
Net cash outflow from investing activities	(6,356)	(1,474)
<b>Cash flows from financing activities</b>		
Net repayments of term loans	(1,369)	(98)
Repayments of finance lease liabilities	(794)	(1,207)
Net proceeds from short term borrowings	(1,394)	34,237
Proceeds from issuance of shares to minority interest	-	90
Dividend paid to non-controlling interest	-	(84)
Interest paid	(308)	(162)
Increased in fixed deposit pledged	(7)	(591)
Net cash (outflow)/ inflow from financing activities	(3,872)	32,185
Effects of changes in exchange rates	(39)	-
Net increase in cash & cash equivalents	11,988	8,214
Cash & cash equivalents at beginning of the financial year	9,830	(1,828)
<b>Cash &amp; cash equivalents at end of the financial period</b>	<b>21,779</b>	<b>6,386</b>

*The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying Notes to the Interim Financial Report and the audited financial statements of the Company for the financial year ended 31 December 2013.*

# CHUAN HUAT RESOURCES BERHAD

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## **QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2014**

### **1. Basis of Preparation**

These interim financial statements of the Group are not audited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134 – *Interim Financial Reporting* and the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2013 which were prepared under the Financial Reporting Standards ("FRS").

The 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 2013.

### **2. Significant Accounting Policies**

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the preparation of the Group's recent audited financial statements for the FYE 31 December 2013, except for the adoption of the following MFRSs, Issues Committee ("IC") Interpretations and amendments to MFRSs and IC Interpretations during the current financial period :-

#### *Effective for annual periods beginning on or after 1 January 2014*

Amendments to MFRS 10, MFRS 12 and MFRS 127 - Investment Entities  
Amendments to MFRS 132 - Offsetting Financial Assets and Financial Liabilities  
Amendments to MFRS 136 - Recoverable Amount Disclosures for Non-Financial Assets  
Amendments to MFRS 139 - Novation of Derivatives and Continuation of Hedge Accounting  
IC Interpretation 21 - Levies

As at the date of authorisation of these interim financial statements, the Group have not made early adoption of the following MFRSs, IC Interpretations and Amendments to MFRSs which have been issued and will be effective for the financial periods as stated below:-

#### *Effective for annual periods beginning on or after 1 July 2014*

Amendments to MFRS 119, Defined Benefit Plans : Employee Contributions  
Amendments to MFRSs Classified as "Annual Improvements to MFRSs 2010 - 2012 Cycle"  
Amendments to MFRSs Classified as "Annual Improvements to MFRSs 2011 - 2013 Cycle"

#### *Effective for a date yet to be confirmed*

MFRS 9 - Financial Instruments (IFRS 9 issued in November 2009)  
MFRS 9 - Financial Instruments (IFRS 9 issued in October 2010)  
Amendments to MFRS 7 and MFRS 9 - Mandatory Effective Date of MFRS 9 and Transition Disclosures  
MFRS 9, Financial Instruments (Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139) (IFRS 9 as amended in November 2013)

The Group will apply the above MFRSs and amendments to MFRSs once they become effective. The above standards and amendments are not expected to have any material financial impact on the financial statements of the Group on initial adoption

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### 3. Auditors' Report in respect of the 2012 Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2013 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 six months ended 30 June 2014.

### 6. Changes in Estimates

There were no changes in estimates that have had a material effect during the quarter and six months ended 30 June 2014.

### 7. 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 2014.

### 8. Dividends Paid

No dividend has been paid during the quarter and six months ended 30 June 2014.

### 9. Segment Information

<b><u>Segment Revenue</u></b>	3 months ended		6 months ended	
	30.06.14 (RM'000)	30.06.13 (RM'000)	30.06.14 (RM'000)	30.06.13 (RM'000)
Trading of hardware & building materials	214,823	234,894	431,815	444,015
Trading of IT related products	20,404	18,801	40,714	37,883
Others	422	858	1,155	1,325
Total revenue including inter-segment sales	235,649	254,553	473,684	483,223
Elimination of inter segment sales	(57,232)	(72,383)	(114,428)	(123,797)
<b>Total revenue</b>	<b>178,417</b>	<b>182,170</b>	<b>359,256</b>	<b>359,426</b>

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	3 months ended		6 months ended	
	30.06.14 (RM'000)	30.06.13 (RM'000)	30.06.14 (RM'000)	30.06.13 (RM'000)
<b><u>Profit/ (loss) from operations</u></b>				
Trading of hardware & building materials	7,167	8,096	13,025	15,886
Trading of IT related products	500	410	813	826
Others	(30)	40	46	30
<b>Total Operating Profit</b>	<b>7,637</b>	<b>8,546</b>	<b>13,884</b>	<b>16,742</b>
<b><u>Profit/ (loss) before taxation</u></b>				
Trading of hardware & building materials	2,867	5,181	4,881	10,265
Trading of IT related products	312	260	450	543
Others	(226)	(390)	(347)	(844)
Fair value gain on investment property	18,678	-	18,678	-
<b>Total Profit before taxation</b>	<b>21,631</b>	<b>5,051</b>	<b>23,662</b>	<b>9,964</b>

**10. Carrying Amount of Revalued Assets**

During the period, the Group had revalued its property, plant & equipment and investment properties and generated a revaluation reserve of RM 77.62 million net of deferred tax.

**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**

The were no changes in the composition of the Group during the quarter and six months ended 30 June 2014 and up to the date of this Interim Financial Report.

**13. Contingent Liabilities/Contingent Assets**

	30/06/14 (RM'000)	31/12/13 (RM'000)	Changes (RM'000)
Corporate guarantees in respect of Banking facilities granted to subsidiary Companies	286,792	286,792	-
Corporate guarantees in respect of the Supply of goods to subsidiary companies	48,900	36,900	12,000



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### 14. Capital Commitments

The Group has commitments as follows:

	30/06/14 (RM'000)	31/12/13 (RM'000)	Changes (RM'000)
Capital expenditure approved and contracted for	173	3,126	(2,953)

### 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) Pineapple Resources Berhad, a 63.85% owned subsidiary and it's subsidiary companies (PRB Group)
- iii) Keyline Consulting Sdn Bhd (KLC), a 70% owned subsidiary
- iv) CHRB Building Materials Sdn Bhd (CHRB BM), a 60% owned subsidiary
- v) CHRB Trading Sdn Bhd (CHRB Trading), a 55% 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:

	6 months ended 30/06/14 (RM'000)	6 months ended 30/06/13 (RM'000)
<b>a) Sale of goods to</b>		
i) <u>Other related parties</u>		
Ahmad Zaki Sdn Bhd	5,066	3,808
ii) <u>Subsidiaries</u>		
CHM	1,561	532
KLC	-	443
CHRB BM	1,209	345
CHRB Trading	241	-
<b>b) Purchase of goods from</b>		
i) <u>Other related parties</u>		
Amalgamated Industrial Steel Berhad	666	831
ii) <u>Subsidiaries</u>		
KLC	365	-
CHM	137	3,726
CHRB BM	267	1,149

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	6 months ended 30/06/14 (RM'000)	6 months ended 30/06/13 (RM'000)
<b>i) Subsidiaries</b>		
Rental income received from subsidiaries	155	172
Security, water & electricity charges received from subsidiaries	24	24
Management fee and incentive received from subsidiaries	43	38
Interest expenses	5	33

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

Amalgamated Industrial Steel Berhad is a company in which CHRB had 7.33% indirect interest through a 100% owned subsidiary, Chuan Huat Hardware Holdings Sdn Bhd.

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**

	6 months ended	
	30/06/14 (RM'000)	30/06/13 (RM'000)
Fixed deposit with a licensed bank	7,831	7,016
Cash and bank balances	25,535	16,420
Bank overdraft	(10,856)	(15,734)
	22,510	7,702
Less : Fixed Deposits pledged	(731)	(1,316)
	21,779	6,386

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## CHUAN HUAT RESOURCES BERHAD

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### 17. Review of Performance

The Group's revenue for the second quarter and six (6) months financial period ended 30 June 2014 have decreased by 2.06% and 0.04% respectively, as compared to the preceding year's corresponding financial period.

The Group recorded a profit before tax of RM21.63 million and RM23.66 million for the second quarter and the six (6) months of the financial period ended 30 June 2014 as compared to RM5.05 million and RM9.96 million in the preceding year corresponding financial period was due mainly to fair value gain on the investment properties.

The details of the performance of the various segments are as follows:

	3 months ended			6 months ended		
	30.06.14 RM'000	30.06.13 RM'000	Change %	30.06.14 RM'000	30.06.13 RM'000	Change %
<b>Revenue</b>						
Trading of hardware & building materials	164,623	169,550	-2.90	332,389	335,134	-0.81
Trading of IT related products	13,551	11,996	12.96	26,054	23,436	11.20
Others	243	624	-61.05	813	856	-5.02
<b>Total</b>	<b>178,417</b>	<b>182,170</b>	<b>-2.06</b>	<b>359,256</b>	<b>359,426</b>	<b>-0.04</b>
<b>Profit / (Loss) before taxation</b>						
Trading of hardware & building materials	2,867	5,181	-44.66	4,881	10,265	-52.45
Trading of IT related products	312	260	20.00	450	543	-17.12
Others	(226)	(390)	42.05	(347)	(844)	58.88
Fair value gain on investment property	18,678	-	100.00	18,678	-	100.00
<b>Total</b>	<b>21,631</b>	<b>5,051</b>	<b>328.25</b>	<b>23,662</b>	<b>9,964</b>	<b>137.47</b>

The reasons for the changes in the various sectors are as follows:-

- (i) Trading of hardware & building materials  
The drop in profit before taxation for the second quarter and the six (6) months of the financial period ended 30 June 2014 compared to the corresponding periods ended 30 June 2013 were mainly due to the decrease in revenue and increase of operating expenses which included depreciation, interest expense, provision for receivables while recording lower other operating income and interest income.
- (ii) Trading of IT related products  
Despite the increase in the revenue, it achieved a lower profit before tax for the six months period ended 30 June 2014 compared to the corresponding periods ended 30 June 2013, mainly due to the reduced profit margin as a result of competitive pricing and lower other income received during the financial period.

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### 17. Review of Performance (continued)

- (iii) Others  
The lower Loss Before Tax ("LBT") recorded in the period under review was mainly due to lower interest cost on borrowings.

### 18. Material changes in profit before taxation against preceding quarter

The total revenue of the Group for the current quarter decreased by RM2.422 million or 1.33% as compared to the immediate preceding quarter and the total Profit Before Taxation ("PBT") in the current quarter increased by RM19.6 million or 965.04%. The detail analysis by business segment are as follow:

	Individual Quarter 3 months ended		
	30/06/14 (RM'000)	31/03/14 (RM'000)	Change %
<b>Revenue</b>			
Trading of hardware & building Materials	164,623	167,766	-1.87
Trading of IT related products	13,551	12,503	8.38
Others	243	570	-57.36
<b>Total</b>	<b>178,417</b>	<b>180,839</b>	<b>-1.33</b>
	Individual Quarter 3 months ended		
	30/06/14 (RM'000)	31/03/14 (RM'000)	Change %
<b>Profit / (Loss) before taxation</b>			
Trading of hardware & building Materials	2,867	2,014	42.35
Trading of IT related products	312	138	-35.80
Others	(226)	(121)	-86.77
Fair value gain on investment property	18,678	-	100.00
<b>Total</b>	<b>21,631</b>	<b>2,031</b>	<b>965.04</b>

Apart from the fair value gain on investment properties, the reasons for the changes in the various sectors are as follows:-

- (i) Trading of hardware & building materials  
The higher PBT was mainly due to increase profit margin during the quarter under review.
- (ii) Trading of IT related products  
The higher PBT was mainly due to the additional AEON members' day special offers and promotions during the quarter under review.
- (iii) Others  
The increase in LBT was mainly due to decreased in revenue. The preceding quarter reported a sales of property with gross profit of RM102,000

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### 19. Commentary on Prospects

Although the local demand for construction steel remained stable, the selling price has been under downward pressure since the last quarter of 2013 due to the global oversupply situation especially from China. On the domestic front, steel millers and stockists will continue to face strong price competition. This situation is expected to continue into the next quarter of 2014.

The Group's IT retail subsidiaries under the Pineapple Resources Group are also facing a challenging market with the stiff competition and fast product changes. However the management hopes to cope with the situation by improving the manpower productivity and product knowledge. The prospect for e-commerce is showing a lot of potential and more efforts will be focused in this area.

### 20. Profit Forecast and Profit Guarantee

The Group is not subject to any profit forecast or profit guarantee requirements.

### 21. Income Tax Expenses

	3 months ended		6 months ended	
	30/06/14 (RM'000)	30/06/13 (RM'000)	30/06/14 (RM'000)	30/06/13 (RM'000)
Malaysia income tax				
- current	855	1,315	1,688	2,558
- under/ (over) provision in prior years	24	-	24	-
	879	1,315	1,712	2,558
Deferred taxation	(65)	(148)	(17)	(232)
<b>TOTAL</b>	<b>814</b>	<b>1,167</b>	<b>1,695</b>	<b>2,326</b>

The effective tax rate for the financial period ended 30 June 2014 and 30 June 2013 are not reflective of the statutory tax rate mainly 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. Corporate Proposals

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

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**23. Borrowings**

	6 months ended	
	30/06/14 (RM'000)	30/06/13 (RM'000)
<u>Short Term</u>		
Bank overdrafts (unsecured)	10,856	15,734
Bills payable (unsecured)	183,021	199,479
Finance lease liabilities	1,151	1,598
Term loans (amount payable within 12 months)	1,068	195
	<u>196,096</u>	<u>217,006</u>
<u>Long Term</u>		
Finance lease liabilities	3,099	3,263
Less : amount payable within 12 months	(1,151)	(1,598)
	<u>1,948</u>	<u>1,665</u>
Term Loans (secured)	7,000	865
Less : amount payable within 12 months	(1,068)	(195)
	<u>5,932</u>	<u>670</u>
	<u>7,880</u>	<u>2,335</u>

**24. Realised and Unrealised Profits / (Losses)**

	As at	As at
	30/06/2014	31/12/2013
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries:		
-Realised	64,453	61,529
-Unrealised	17,348	(1,441)
	<u>81,801</u>	<u>60,088</u>
Consolidation adjustments	(300)	(300)
Retained earnings as per statements of financial positions	<u>81,501</u>	<u>59,788</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 2013.

## CHUAN HUAT RESOURCES BERHAD

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### 27. Dividends

The Board of Directors had recommended a first and final dividend of 1.5 sen gross per ordinary share of RM0.50 each less income tax at 25% in respect of the financial year ended 31 December 2013 and was approved by the shareholders at the Twentieth Annual General Meeting held on 26 June 2014. However, as the transitional provisions to move to a single tier system lapsed on 31 December 2013, the dividend announced and approved on 26 June 2014 should correctly be a single tier exempt dividend. This disclosure correction from 1.5 sen less 25% Malaysian Income Tax per Ordinary Share of RM0.50 each to Single Tier Exempt Dividend of 1.125 sen, did not result in a change of the amount of dividend, to be received by the shareholders. The dividend was paid on 26 August 2014.

### 28. Earnings per share

#### a. Basic earnings per share

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

	3 months ended		6 months ended	
	30/06/14 (RM'000)	30/06/13 (RM'000)	30/06/14 (RM'000)	30/06/13 (RM'000)
Profit attributable to the owners of the parent (RM'000)	20,679	3,626	21,713	7,126
Total number of ordinary shares in issue ('000)	167,156	167,156	167,156	167,156
Basic earnings per share (sen)	12.37	2.17	12.99	4.26

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## b. Diluted earnings per share

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

	3 months ended		6 months ended	
	30/06/14 (RM'000)	30/06/13 (RM'000)	30/06/14 (RM'000)	30/06/13 (RM'000)
Profit attributable to the owners of the parent (RM'000)	20,679	3,626	21,713	7,126
Total number of ordinary shares in issue ('000)	167,156	167,156	167,156	167,156
Effects of dilution for Warrants ('000)	41,789	41,789	41,789	41,789
Adjusted number of ordinary shares in issue applicable to diluted earnings per share ('000)	208,945	208,945	208,945	208,945
Diluted earnings per share (sen)	9.90	1.74	10.39	3.41

**28. 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: 29 August 2014