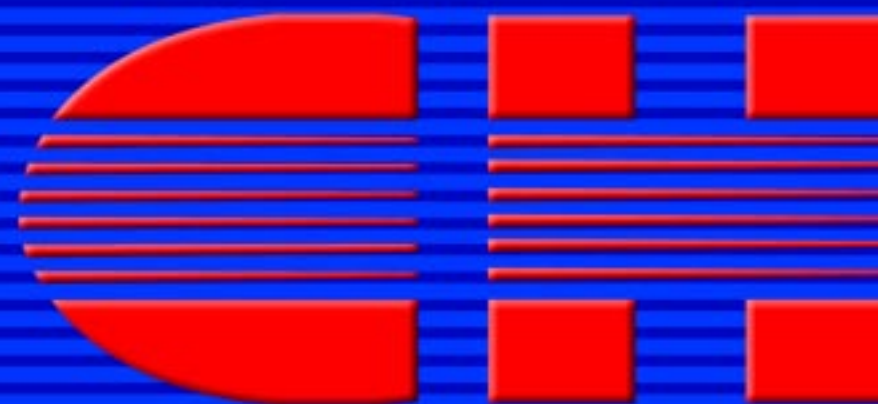


A N N U A L R E P O R T 2 0 0 0



CHUAN HUAT RESOURCES BERHAD

(Com no: 290729-W)

Incorporated in Malaysia

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventh Annual General Meeting of Chuan Huat Resources Berhad will be held at Dorsett Regency Hotel Kuala Lumpur, Alamanda Room, 2nd Floor, 172, Jalan Imbi, 55100 Kuala Lumpur on 6 June 2001 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the Accounts for the year ended 31 December 2000 and the Reports of the Directors and Auditors thereon. (Ordinary Resolution 1)
2. To approve the payment of a first and final tax exempt dividend of 2% for the financial year ended 31 December 2000. (Ordinary Resolution 2)
3. To approve the payment of Directors' fees in respect of the year ended 31 December 2000. (Ordinary Resolution 3)
4. To re-elect the following Directors retiring pursuant to Article 63 of the Company's Articles of Association:
 - (i) Dato' Lim Khoon Heng (Ordinary Resolution 4)
 - (ii) Dali Kumar @ Dali Bin Sardar (Ordinary Resolution 5)
5. To re-elect the following Director retiring pursuant to Article 68 of the Company's Articles of Association:
 - (i) Low Beng Choo (Ordinary Resolution 6)
6. To re-appoint the following Directors retiring pursuant to Section 129(2) of the Companies Act, 1965 and seeks re-election under the provision of Section 129(6) of the said Act to hold office until the next Annual General Meeting:
 - (i) Lim Kim Chuan (Ordinary Resolution 7)
 - (ii) Hew Kwee Won (Ordinary Resolution 8)
7. To re-appoint Messrs. Ong Boon Bah & Co. as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration. (Ordinary Resolution 9)
8. As a Special Business, to consider and if thought fit, to pass the following Ordinary Resolution:

"That pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being, subject always to the approval of all the relevant regulatory bodies being obtained for such issue and allotment."

(Ordinary Resolution 10)
9. To transact any other ordinary business of which due notice shall have been given.

BY ORDER OF THE BOARD

TAY LEE SIANG [LS 00129]
PAN KOW BAH [LS 007152]
(Company Secretaries)

Kuala Lumpur
Date: 8 May 2001

NOTICE OF ANNUAL GENERAL MEETING

Notes:-

1. A member entitled to attend and vote at this Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.
2. A member shall be entitled to appoint more than one(1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Act are complied with. Where a member appoints more than one(1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, this form must be executed under its common seal or under the hand of an officer or attorney duly authorised.
4. All Forms of Proxy should be deposited at the Company's Registered Office, Wisma Lim Kim Chuan, Lot 50A, Section 92A, 3 1/2 Miles, Off Jalan Sungei Besi, 57100 Kuala Lumpur not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.

Explanatory Notes To Special Business:

The proposed adoption of the Ordinary Resolution is primarily to give flexibility to the Board of Directors to issue and allot shares at any time in their absolute discretion without convening a general meeting.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that the First and Final Tax Exempt Dividend of 2% will be payable on 5 September 2001 to depositors who are registered in the Record of Depositors at the close of business on 7 August 2001 if approved by members at the Seventh Annual General Meeting on 6 June 2001.

A Depositor shall qualify for entitlement to the dividend only in respect of:

- (a) Shares transferred into the Depositor's Securities Account before 12.30 p.m. on 7 August 2001 in respect of ordinary transfers;
- (b) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

AUDIT COMMITTEE

THE MEMBERS

The Audit Committee of **CHUAN HUAT RESOURCES BERHAD** comprises the following directors:-

Tengku Yunus Kamaruddin (*Chairman*)
Independent Non-Executive Director

Lim Loong Heng
Deputy Managing Director

Dali Kumar @ Dali Bin Sardar
Independent Non Executive Director

Low Beng Choo
Independent Non Executive Director

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Objectives

The primary objectives of the Committee are

- a) to safeguard the interests of the minority shareholders;
- b) to assist in discharging the Board's responsibilities as they relate to the Company's management and internal controls, accounting policies and financial reporting;
- c) To provide, by way of regular meetings, a line of communication between the Board and the internal and external auditors.

Responsibilities

The Committee shall have the following responsibilities:

- a) To review with the external auditors
 - their audit plan;
 - their evaluation of the system of internal accounting controls;
 - any new or unusual risks detected during the course of their audit; and
 - their audit report on the financial statements.
- b) To review any significant transactions which are not a normal part of the Company's business.
- c) To review the effectiveness of management information and other systems of control within the Company.
- d) To review arrangements established by management for compliance with regulatory or other reporting requirements.
- e) To review the accounting policies adopted, any changes in accounting principles or practices, and the level of prudence applied in areas requiring judgement.
- f) To review the financial statements with management and the external auditors and if deemed true and fair to recommend their adoption by the full Board.
- g) To perform such other functions as may be agreed to by the Committee and the Board.

AUDIT COMMITTEE

Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to obtain any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

The Committee can obtain outside legal or other independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Composition

The Committee shall be appointed by the Board from amongst their number and shall consist of not less than three members. A quorum shall be two members.

Majority of the Committee shall not be:

- executive directors of the Company or of any related corporation;
- a spouse, parent, brother, sister, son or adopted son, daughter or adopted daughter of an executive director of the Company or any related corporation;
- a spouse of brother, sister, son or adopted son, daughter or adopted daughter of an executive director of the Company or of any related corporation;
- any person having a relationship which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgement in carrying out the functions of the Audit Committee.

The members of the Committee shall select a Chairman from amongst their number, who is not an executive director or employee of the Company or of any related corporation.

If a member of the Committee resigns, dies or for any other reason, ceases to be a member resulting in the number of members reduced to below three, the Board of Directors shall, within three months of that event, appoint such number of new members as may be required to make up the minimum number of three members.

The term of office of Committee members shall be reviewed by the Board of Directors no less than every three years.

Attendance at Meetings

The Finance General Manager shall not be members of the Committee but shall be in attendance during meetings when required to provide information for the Committee's deliberations.

The external auditor shall have the right to appear and be heard at any meeting of the Committee.

The Company Secretary shall be the Secretary of the Committee.

Frequency of Meetings

Meetings shall be held not less than four times a year. The external auditor may request a meeting if he considers that one is necessary to discuss matters which he believes should be brought to the attention of the Committee.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Lim Kim Chuan
(Chairman)

Dato' Lim Khoon Heng
(Managing Director)

Lim Loong Heng
(Deputy Managing Director)

Lim Khoon Hock
(Executive Director)

Hew Kwee Won (f)

Dato' Haji Wan Zaki bin Haji Wan Muda

Tengku Yunus Kamaruddin

Dali Kumar @ Dali Bin Sardar

Low Beng Choo (f)

SECRETARIES

Tay Lee Siang (f) (LS 00129)
Pan Kow Bah (LS 007152)

REGISTERED OFFICE

Wisma Lim Kim Chuan
Lot 50A, Section 92A
3 1/2 Miles Off Jalan Sungei Besi
57100 Kuala Lumpur
Tel No: 03-79833333
Fax No: 03-79803333

PRINCIPAL BANKERS

RHB Bank Berhad
United Overseas Bank (Malaysia) Berhad
Overseas Union Bank (Malaysia) Berhad
Malayan Banking Berhad

AUDITORS

Ong Boon Bah & Co.
B-10-1, Megan Phileo Promenade
189, Jalan Tun Razak
50400 Kuala Lumpur

REGISTRAR

Sectras Services Sdn Bhd
28-2, Jalan Tun Sambanthan 3
Brickfields
50470 Kuala Lumpur
Tel No: 03-22746133
Fax No: 03-22741016

STOCK EXCHANGE LISTING

Second Board of the Kuala Lumpur
Stock Exchange

CEO/ GROUP MANAGING DIRECTOR'S STATEMENT

On behalf of the Board, I have great pleasure in presenting the Annual Report and Financial Statement of the Company and the Group for the year ended 31 December 2000.

OVERVIEW

The year under review was experienced with challenges and obstacles from the impact of the 1997 economic downturn. Amidst tight liquidity and strong competition, the company has managed to maintain its turnover and profit up trend through its prudent and conservative management style.

FINANCIAL RESULTS

The core business of the group, the Iron and Steel Division remains the major contributor with a turnover of RM252 million while the IT Division managing a turnover of RM34 million. Overall, the group achieved an improved turnover and profit before tax of RM286 million and RM6.2 million respectively as compared to the previous year result of RM160 million and RM3.8 million. This translate into an increased of 78% in turnover and 65% in profit before tax. This was attributed to the securing of supplies of iron and steel, building materials to mega projects and the increased in the distribution network of the IT Division.

DIVIDENDS

Your director is recommending a first and final tax exempt dividend of 2% in tandem with the company's performance for the approval of the shareholders in the forthcoming Annual General Meeting.

SIGNIFICANT EVENTS

Capitalizing on the downstream potential in steel value added products, the Group, through its subsidiary Chuan Huat Hardware Holdings Sdn. Bhd., entered into a joint venture with AMSTEEL Mills Sdn. Bhd., a member company of the Lion Group in supplying cut, bend and fabricated steel bars to the construction industry. In return, this partnership will increase the company's market share in the supply of steel related products.

The Group also entered into a Distributorship Agreement through its subsidiary Chuan Huat Industrial Marketing Sdn. Bhd. with BBA Nonwovens Asia Pacific Ltd., a company incorporated in Hong Kong for (TERRAM) Geosynthetic products and Creative Polymer Industries (S) Pte. Ltd, a company incorporated in Singapore for (Flexi-Drain) Prefabricated Drains respectively.

The Group's through its subsidiary Disccomp Berhad further increased its equity interest in Pineapple Computer Systems Sdn. Bhd. for the purpose of enlarging its market share in the Information Technology (IT) market.

The Group has also applied for the establishment of the Employee Shares Option Scheme (ESOS) for eligible Directors and employees for their contribution to the Group.

Disccomp Berhad, the IT subsidiary of the Group has also applied for listing on the MESDAQ.

OUTLOOK AND STRATEGIC DIRECTION

In enlarging the strength of its core business in Iron, Steel and Building Materials, plans are underway to open up branches in every major state in the country. Some of the branches are already set up in Johor Baru, Kluang, Malacca (Southern Region) Kuala Terengganu (East Malaysia) and Ipoh (Northern Region) in addition to the Group existing branches in Butterworth and Kuching.

On the IT front, the expansion of Pineapple Computer System Sdn. Bhd, a subsidiary of the Group, operating retail outlets selling computer hardware, accessories, peripherals and multimedia products is poised to further enhance the performance of the IT Division. The appointment as distributor (retail) of GATEWAY PC full range of products will take the company to greater heights in the IT industry.

CEO/ GROUP MANAGING DIRECTOR'S STATEMENT

ACKNOWLEDGEMENT

On behalf of the Board, I would like to record our sincere appreciation to Tan Sri Wan Azmi bin Wan Hamzah, our Deputy Chairman, who has retired from the Board, for his past contributions to the Group. At the same time we welcome Ms. Low Beng Choo to the Board as a Director

On the same note, I express my gratitude and appreciation to the management and staff of the Group for their untiring commitment and dedication in building the company as what we are proud of today.

I would also like to express my thanks and sincere appreciation to our shareholders, bankers, customers and business associates for their loyalty and confidence in us.

THANK YOU.

DATO' LIM KHOON HENG
CEO/ GROUP MANAGING DIRECTOR

DIRECTORS' REPORT

31st December, 2000

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31st December, 2000.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are shown in Note 4 to the financial statements.

Details of a subsidiary company acquired during the financial year are shown in Note 4 to the financial statements.

There have been no significant changes in the activities of the Company and of its subsidiary companies during the financial year except for the subsidiary company acquired during the financial year.

FINANCIAL RESULTS

	GROUP	COMPANY
	RM	RM
Profit after taxation	4,270,096	760,894
Minority interests	(645,730)	-
Profit after taxation and minority interests	3,624,366	760,894

SHARE CAPITAL

During the financial year, the issued and paid up share capital of the Company was increased from RM39,999,000 to RM40,021,000 by the issue of 22,000 ordinary shares pursuant to the exercise of the right to subscribe for shares at RM1.00 per ordinary share by warrant holders.

DIVIDEND

The Directors have recommended a first and final tax exempt dividend of 2 sen per ordinary share for the financial year ended 31st December, 2000 amounting to RM800,420 which, subject to the approval of members at the forthcoming Annual General Meeting of the Company.

The Company has paid a first and final dividend of 1 sen per ordinary share less 28% income tax in respect of the financial year ended 31st December, 1999 and included in the previous Directors' Report amounting to RM288,079. This is an increase of RM86 over the amount disclosed in the previous Directors' Report due to those fully paid shares issued pursuant to the warrants exercised by warrant holders.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year other than as disclosed in the financial statements.

DIRECTORS' REPORT

31st December, 2000

DIRECTORS

The Directors who served since the date of last report are:

Lim Kim Chuan
Dato' Haji Wan Zaki bin Haji Wan Muda
Tengku Yunus Kamaruddin
Dato' Lim Khoon Heng
Lim Loong Heng
Lim Khoon Hock
Hew Kwee Won (f)
Dali Kumar @ Dali Bin Sardar
Tan Sri Wan Azmi bin Wan Hamzah (Resigned on 14.9.2000)
Low Beng Choo (f) (Appointed on 14.9.2000)

In accordance with Article 63 of the Company's Articles of Association, Dato' Lim Khoon Heng and Dali Kumar @ Dali Bin Sardar retire by rotation, and being eligible, offer themselves for re-election.

In accordance with Article 68 of the Company's Articles of Association, Low Beng Choo retires and, being eligible, offer herself for re-election.

Lim Kim Chuan and Hew Kwee Won being over the age of seventy years, retire pursuant to Section 129(2) of the Company Act, 1965 and seek re-election as Director under the provision of Section 129(6) of the said Act to hold office until the next Annual General Meeting.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than those disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which a Director is a member or with a company in which a Director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares of the Company during the financial year are as follows:

	Number of ordinary shares of RM1.00 each			
	As at 1.1.00	Additions	Disposals	As at 31.12.00
Lim Kim Chuan	1,798,142	-	-	1,798,142
Dato' Haji Wan Zaki bin Haji Wan Muda	3,885,197	-	50,000	3,835,197
Dato' Lim Khoon Heng	4,768,175	-	-	4,768,175
Lim Loong Heng	4,768,174	-	-	4,768,174
Lim Khoon Hock	4,768,174	-	-	4,768,174
Hew Kwee Won	1,798,133	-	-	1,798,133

DIRECTORS' REPORT

31st December, 2000

	Number of ordinary shares of RM1.00 each			As at 31.12.00
	As at 1.1.00	Additions	Disposals	
Tengku Yunus Kamaruddin	4,500	-	-	4,500
Dali Kumar @ Dali Bin Sardar	124,000	-	4,000	120,000
Low Beng Choo	10,844*	2,000	-	12,844

* as at 14.9.2000

Other than as disclosed above, the Directors of the Company do not have any other interest in the shares of the Company.

OTHER STATUTORY INFORMATION

Before the balance sheets and income statements of the Group and of the Company were made out, the Directors took reasonable steps:

- (a) to ascertain the action taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their value as shown in the accounting records have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

Except as disclosed in the financial statements, no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

DIRECTORS' REPORT

31st December, 2000

In the opinion of the Directors:

- (a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) other than as disclosed in the financial statements, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Ong Boon Bah & Co, have indicated their willingness to continue in office.

On behalf of the Boards,

DATO' LIM KHOON HENG
Director

LIM KHOON HOCK
Director

Kuala Lumpur
Date: 24th April 2001

STATEMENT BY DIRECTORS

We, **DATO' LIM KHOON HENG** and **LIM KHOON HOCK**, being two of the Directors of **CHUAN HUAT RESOURCES BERHAD**, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 14 to 39 are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31st December, 2000 and of the results and cash flows of the Group and of the Company for the financial year ended on that date.

On behalf of the Boards,

DATO' LIM KHOON HENG
Director

LIM KHOON HOCK
Director

Kuala Lumpur
Date: 24th April 2001

STATUTORY DECLARATION

I, **LIM LOONG HENG**, the Director primarily responsible for the financial management of **CHUAN HUAT RESOURCES BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 14 to 39 are, to the best of my knowledge and belief correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above-named **LIM LOONG HENG** at Kuala Lumpur in the Federal Territory on 24th April 2001.

LIM LOONG HENG

Before me
CHAN LEONG CHOI
No. W309

Commissioner for Oaths

Kuala Lumpur
Date: 24th April 2001

REPORT OF THE AUDITORS TO THE MEMBERS OF CHUAN HUAT RESOURCES BERHAD

We have audited the financial statements set out on pages 14 to 39. The preparation of these financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we plan and perform the audit to obtain all the information and explanations, which we considered necessary, to provide us with sufficient evidence to give reasonable assurance that the financial statements are free of material misstatements. Our audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. Our audit includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:-

- (a) the financial statements which have been prepared under the historical cost convention are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:-
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
 - (ii) the state of affairs of the Group and of the Company as at 31st December, 2000 and of the results and cash flows of the Group and of the Company for the financial year ended on that date; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and by the subsidiary companies have been properly kept in accordance with the provisions of the said Act.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for those purposes.

The auditors' report's on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under Subsection (3) of Section 174 of the Companies Act, 1965.

ONG BOON BAH & CO
AF: 0320
Public Accountants

LIM KOK BENG
588/02/03(J)
Partner of the Firm

Kuala Lumpur
Date: 24th April 2001

BALANCE SHEETS

As at 31st December, 2000

	Note	GROUP		COMPANY	
		2000 RM	1999 RM	2000 RM	1999 RM
FIXED ASSETS	2	56,976,781	59,632,645	2,025	2,475
INVESTMENT PROPERTIES	3	8,544,630	7,518,876	-	-
SUBSIDIARY COMPANIES	4	-	-	57,822,447	57,313,526
ASSOCIATED COMPANY	5	2,374,155	1,897,142	-	-
INVESTMENTS	6	4,122,914	1,430,946	-	-
INTANGIBLE ASSETS	7	202,750	324,876	-	104,839
CURRENT ASSETS					
Stocks	8	26,846,722	27,397,158	-	-
Trade debtors	9	93,623,467	94,040,743	-	-
Other debtors, deposits and prepayments	10	4,879,020	5,221,406	3,792	3,792
Fixed deposit with a licensed bank		20,000	-	-	-
Cash and bank balances		5,669,030	1,607,148	122,612	4,375
		131,038,239	128,266,455	126,404	8,167
CURRENT LIABILITIES					
Trade creditors		19,892,062	19,623,741	-	-
Other creditors and accruals	11	7,847,380	8,538,893	28,830	24,000
Short term borrowings	12	80,748,439	74,852,566	-	-
Taxation		829,239	-	22,224	-
Proposed dividend		800,420	287,993	800,420	287,993
		110,117,540	103,303,193	851,474	311,993
NET CURRENT ASSETS/(LIABILITIES)		20,920,699	24,963,262	(725,070)	(303,826)
		93,141,929	95,767,747	57,099,402	57,117,014
Financed by:					
SHARE CAPITAL	13	40,021,000	39,999,000	40,021,000	39,999,000
RESERVES	14	40,784,678	38,432,566	17,078,402	17,118,014
SHAREHOLDERS' FUNDS		80,805,678	78,431,566	57,099,402	57,117,014
MINORITY INTERESTS		7,304,561	6,078,679	-	-
DEFERRED CREDITORS	15	2,088,762	6,048,532	-	-
TERM LOANS	16	2,294,538	4,840,580	-	-
DEFERRED TAXATION	17	648,390	368,390	-	-
		93,141,929	95,767,747	57,099,402	57,117,014
Net tangible assets per share (RM)		2.01	1.95		

The accompanying notes form an integral part of the financial statements.

INCOME STATEMENTS

For The Financial Year Ended 31st December, 2000

	Note	GROUP		COMPANY	
		2000 RM	1999 RM	2000 RM	1999 RM
Revenue	18	285,807,159	187,666,723	1,349,200	-
Other operating income		2,476,579	3,814,028	48,000	48,000
Changes in inventories of finished goods and work-in-progress		(594,731)	(962,572)	-	-
Purchases of finished goods		(228,765,766)	(138,614,821)	-	-
Raw materials and consumables used		(25,530,061)	(22,989,332)	-	-
Staff costs		(7,357,921)	(5,763,652)	-	-
Depreciation and amortisation expenses		(5,535,106)	(5,471,905)	(450)	(15,427)
Other operating expenses		(12,258,611)	(10,964,793)	(235,367)	(75,440)
Profit/(Loss) from operations		8,241,542	6,713,676	1,161,383	(42,867)
Finance costs	19	(2,305,472)	(3,269,493)	(489)	(410)
Share in results of an associated company		256,941	358,133	-	-
Profit/(Loss) before taxation	20	6,193,011	3,802,316	1,160,894	(43,277)
Taxation	21	(1,922,915)	429,467	(400,000)	4,849
Profit/(Loss) after taxation		4,270,096	4,231,783	760,894	(38,428)
Minority interests		(645,730)	(11,792)	-	-
Profit/(Loss) after taxation and minority interests		3,624,366	4,219,991	760,894	(38,428)
Earnings per share (sen)	23	9.06	10.55		
Fully diluted earnings per share (sen)	23	7.33	8.54		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31st December, 2000

GROUP	Note	Share capital RM	Reserves (Note 14) RM	Total RM
Balance at 31st December, 1998		39,999,000	35,019,058	75,018,058
Listing expenses			(18,806)	(18,806)
Reserve on consolidation			12,119	12,119
Amortisation of reserve on consolidation			(493,910)	(493,910)
Accretion arising from change in equity interest in a subsidiary company			2,175	2,175
Dilution arising from change in equity interest in a subsidiary company			(20,068)	(20,068)
Dividend	22		(287,993)	(287,993)
Net profit for the financial year			4,219,991	4,219,991
Balance at 31st December, 1999		39,999,000	38,432,566	78,431,566
Shares issued		22,000		22,000
Reserve on consolidation arising from acquisition of additional equity interest in a subsidiary company			3,887	3,887
Accretion arising from change in equity interest in a subsidiary company			70,246	70,246
Amortisation of reserve on consolidation			(494,203)	(494,203)
Capital reserve overstated in prior year arising from disposal of a subsidiary company			(51,678)	(51,678)
Net profit for the financial year			3,624,366	3,624,366
Dividend	22		(800,506)	(800,506)
Balance at 31st December, 2000		40,021,000	40,784,678	80,805,678

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31st December, 2000

COMPANY	Note	Share capital RM	Reserves (Note 14) RM	Total RM
Balance at 31st December, 1998		39,999,000	17,463,241	57,462,241
Listing expenses			(18,806)	(18,806)
Dividend	22		(287,993)	(287,993)
Net loss for the financial year			(38,428)	(38,428)
Balance at 31st December, 1999		39,999,000	17,118,014	57,117,014
Shares issued		22,000		22,000
Net profit for the financial year			760,894	760,894
Dividend	22		(800,506)	(800,506)
Balance at 31st December, 2000		40,021,000	17,078,402	57,099,402

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For The Financial Year Ended 31st December, 2000

	Note	2000 RM	1999 RM
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		6,193,011	3,802,316
Adjustment for non-cash items and interests	24(a)	9,439,080	8,632,130
Operating profit before working capital changes		15,632,091	12,434,446
Decrease in inventories		550,436	918,387
(Increase)/Decrease in trade and other receivables		(623,641)	1,107,469
(Decrease)/Increase in trade and other payables		(5,134,255)	5,820,140
Cash generated from operations		10,424,631	20,280,442
Tax paid		(1,513,798)	(3,086,844)
Interest paid		(2,077,710)	(3,018,849)
Interest received		43,595	42,771
Net cash inflow from operating activities		6,876,718	14,217,520
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets	24(b)	(2,863,799)	(1,514,194)
Purchase of investment properties		(2,259,601)	-
Purchase of investments		(2,691,968)	(104,222)
Proceeds from disposal of fixed assets		313,040	844,803
Purchase of a subsidiary company	25	(2)	(38,349)
Payment of licence fee		-	(136,600)
Pre-operating expenses incurred		(6,786)	(2,000)
Purchase of additional shares in a subsidiary company		(49,000)	(90,000)
Dividend income from an associated company		100,800	48,600
Proceeds from disposal of a subsidiary company		-	499,873
Proceeds from disposal of investment properties		1,215,421	424,131
Net cash outflow from investing activities		(6,241,895)	(67,958)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of term loans		(3,196,439)	(1,312,967)
Repayment of hire purchase creditors		(288,144)	(550,368)
Net proceeds from/(repayment of) short term borrowings		6,918,118	(9,356,118)
Proceeds from issuance of shares to minority shareholders		673,051	190,251
Proceeds from issuance of shares		22,000	-
Dividend paid to minority shareholders		(21,600)	-
Dividend paid		(288,079)	(719,982)
Repayment of loan to minority shareholders		-	(1,255,000)
Payment of listing expenses		-	(18,806)
Net cash inflow/(outflow) from financing activities		3,818,907	(13,022,990)
Net increase in cash and cash equivalents		4,453,730	1,126,572
Cash and cash equivalents at beginning of the financial year		325,147	(801,425)
Cash and cash equivalents at end of the financial year	24(c)	4,778,877	325,147

The accompanying notes form an integral part of the financial statements.

CASH FLOW STATEMENT

For The Financial Year Ended 31st December, 2000

	Note	2000 RM	1999 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) before taxation		1,160,894	(43,277)
Adjustment for non-cash items and interests	24(a)	105,289	15,427
Operating profit/(loss) before working capital changes		1,266,183	(27,850)
(Increase)/Decrease in amount due from subsidiary companies		(508,921)	12,774
(Increase)/Decrease in other receivables		(377,776)	793,597
Increase/(Decrease) in other payables		4,830	(4,428)
Cash generated from operations		384,316	774,093
Tax paid		-	(44,045)
Net cash inflow from operating activities		384,316	730,048
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		22,000	-
Payment of listing expenses		-	(18,806)
Dividend paid		(288,079)	(719,982)
Net cash outflow from financing activities		(266,079)	(738,788)
Net increase/(decrease) in cash and cash equivalents		118,237	(8,740)
Cash and cash equivalents at beginning of the financial year		4,375	13,115
Cash and cash equivalents at end of the financial year	24(c)	122,612	4,375

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31st December, 2000

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention and comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

(b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary companies made up to the end of the financial year. The results of subsidiary companies acquired during the financial year are included in the consolidated income statement from the date of acquisition. All inter-company balances and transactions and unrealised surpluses and deficits on transactions between group companies have been eliminated on consolidation. Where necessary, accounting policies for subsidiary companies have been changed to ensure consistency with the policies adopted by the Group. Separate disclosure is made of minority interests.

Goodwill and reserve on consolidation represents the difference between the purchase price and the fair value of the net assets of subsidiary and associated companies at the date of acquisition. Goodwill and reserve on consolidation are amortised over a period of twenty five years.

(c) Investment properties

Investment properties are investments in land and buildings held for long term purposes and are not occupied substantially for use by, or in the operations of the Group. Investment properties are stated at cost and are not depreciated.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

(d) Associated company

A company, other than a subsidiary company, in which the Group has a long term equity investment of between 20% and 50% and where the Group has representation on the board and is in a position to exercise significant influence is accounted for as an associated company.

The Group's investment in associated company is accounted for under the equity method of accounting based on audited or management financial statements of the associated company made up to the Group's financial year end. The equity method of accounting involves recognising in the income statement the Group's share of the results of associated company for the period. The Group's investment in associated company is carried in the balance sheet at an amount that reflects its share of the net assets of the associated company.

(e) Investments

Investment in subsidiary and associated companies in the Company's financial statements and other investments are stated at cost and provision is made where, in the opinion of the Directors, there is a permanent diminution in value.

(f) Fixed assets and depreciation

Land and buildings and other fixed assets are stated at cost less accumulated depreciation.

Freehold land and capital work-in-progress are not depreciated. Leasehold land is amortised over the period of the leases ranging from 21 to 99 years.

Depreciation of the other fixed assets is provided on the straight line basis to write off the cost of each asset over its estimated useful life. The principal annual depreciation rates used are:

Buildings	2%
Plant, machinery and cabin	10% - 15%
Motor vehicles	10% - 20%
Furniture and equipment	10%

(g) Intangible assets

Intangible assets are stated at cost net of amortisation. Preliminary, pre-operating expenses and licence fees are amortised using the straight line method over a period not exceeding 10 years upon commencement of operations or commercial production. These expenses will be written off if future economic benefits relating to the deferred expenses cannot be determined with reasonable certainty.

NOTES TO THE FINANCIAL STATEMENTS

31st December, 2000

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Stocks

Stocks are stated at the lower of cost and net realisable value after adequate provision has been made for all deteriorated, damaged, obsolete or slow-moving stocks. Cost is determined principally on the first-in first-out basis. The cost of raw materials comprise the original purchase price plus cost incurred in bringing the stocks to their present locations and conditions. The cost of finished goods and work-in-progress comprise the cost of raw materials, direct labour, direct charge and a proportion of production overheads.

(i) Hire purchase

Assets acquired under hire purchase are capitalised under fixed assets. Outstanding obligations under hire purchase are included as liabilities. Finance charges arising from hire purchase are allocated to the income statements on a "sum of digits" basis.

(j) Debtors

Known bad debts are written off and specific provision is made for any debts considered to be doubtful of collection.

(k) Deferred taxation

Provision is made, on the liability method, for taxation deferred by capital allowances and other timing differences, except where the tax effects of such timing differences are expected to be deferred indefinitely.

Deferred tax benefit is only recognised when there is a reasonable expectation of realisation in the near future.

(l) Revenue recognition

Revenue from sale of goods is recognised when the goods are delivered.

Interest income is recognised on the accrual basis. Income from investment is included in the income statement when the right to receive payment has been established.

(m) Foreign currencies

Transactions in foreign currencies are converted into Ringgit Malaysia at the rates of exchange ruling at the transaction dates or at contracted rate where applicable. Assets and liabilities in foreign currencies at the financial year end are translated into Ringgit Malaysia at the rates of exchange ruling at the date. All exchange differences are included in the income statement.

The principal closing rates used in translation of foreign currency amounts are as follows:

Foreign currency	31.12.2000 RM	31.12.1999 RM
1 USD	3.788	3.846
1 SGD	2.182	2.222
1 AUD	2.111	2.500

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, bank overdrafts, demand deposits and other short-term and highly liquid investments which are readily convertible to cash with insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

31st December, 2000

2. FIXED ASSETS

GROUP	Land and buildings RM	Plant, machinery, cabin and motor vehicles RM	Furniture and fittings, and office equipment RM	Capital work-in- progress RM	Total RM
COST					
At 1st January, 2000	36,007,009	43,865,058	3,125,567	658,528	83,656,162
Additions	233,820	2,779,647	504,550	51,570	3,569,587
Disposals	(105,000)	(425,949)	(4,793)	-	(535,742)
Assets written off	-	(55,758)	(55,921)	-	(111,679)
At 31st December, 2000	36,135,829	46,162,998	3,569,403	710,098	86,578,328
ACCUMULATED DEPRECIATION					
At 1st January, 2000	2,053,577	20,450,526	1,519,414	-	24,023,517
Charge for the financial year	727,203	5,003,112	279,806	-	6,010,121
Disposals	(3,540)	(397,428)	(1,389)	-	(402,357)
Assets written off	-	(16,770)	(12,964)	-	(29,734)
At 31st December, 2000	2,777,240	25,039,440	1,784,867	-	29,601,547
NET BOOK VALUE					
At 31st December, 2000	33,358,589	21,123,558	1,784,536	710,098	56,976,781
At 31st December, 1999	33,953,432	23,414,532	1,606,153	658,528	59,632,645
Depreciation charge for the financial year ended 31st December, 1999	752,363	4,842,320	306,916	-	5,901,599

(a) Included in fixed assets are the following assets acquired under hire purchase:

	GROUP	
	2000 RM	1999 RM
Net Book Value at 31st December		
Motor vehicles	1,206,463	919,201
Plant and machinery	39,597	64,593

NOTES TO THE FINANCIAL STATEMENTS

31st December, 2000

2. FIXED ASSETS (cont'd)

(b) Analysis of land and buildings as follows:

	Freehold land and buildings RM	Long leasehold land and buildings RM	Short leasehold land and buildings RM	Buildings RM	Total RM
GROUP					
COST					
At 1st January, 2000	7,142,600	20,329,465	7,207,908	1,327,036	36,007,009
Additions	-	60,838	172,982	-	233,820
Disposals	-	(105,000)	-	-	(105,000)
At 31st December, 2000	7,142,600	20,285,303	7,380,890	1,327,036	36,135,829
ACCUMULATED DEPRECIATION					
At 1st January, 2000	44,064	776,911	1,136,204	96,398	2,053,577
Charge for the financial year	14,742	304,439	381,481	26,541	727,203
Disposals	-	(3,540)	-	-	(3,540)
At 31st December, 2000	58,806	1,077,810	1,517,685	122,939	2,777,240
NET BOOK VALUE					
At 31st December, 2000	7,083,794	19,207,493	5,863,205	1,204,097	33,358,589
At 31st December, 1999	7,098,536	19,552,554	6,071,704	1,230,638	33,953,432
Depreciation charge for the financial year ended 31st December, 1999	14,741	322,132	386,849	28,641	752,363

(c) Certain landed properties with carrying values totalling RM17,336,756 (1999: RM33,046,158) have been pledged as securities for term loans of certain subsidiary companies.

(d) The issuance of title deeds of certain pieces of freehold and leasehold land of the subsidiary companies are pending from the relevant authority as at 31st December, 2000.

	Office equipment RM
COMPANY	
COST	
At 1st January, 2000	4,500
At 31st December, 2000	4,500

NOTES TO THE FINANCIAL STATEMENTS

31st December, 2000

2. FIXED ASSETS (cont'd)

	Office equipment RM
ACCUMULATED DEPRECIATION	
At 1st January, 2000	2,025
Charge for the financial year	450
At 31st December, 2000	2,475
NET BOOK VALUE	
At 31st December, 2000	2,025
At 31st December, 1999	2,475
Depreciation charge for the financial year ended 31st December, 1999	450

3. INVESTMENT PROPERTIES

	GROUP	
	2000 RM	1999 RM
At cost:		
Freehold land and buildings	6,174,084	6,919,988
Leasehold land and buildings	2,370,546	598,888
	8,544,630	7,518,876

The issuance of title deeds of certain investment properties of subsidiary companies are pending from relevant authorities as at 31st December, 2000.

4. SUBSIDIARY COMPANIES

	COMPANY	
	2000 RM	1999 RM
Unquoted shares at cost	43,743,927	43,743,927
Amount due from subsidiary companies	14,078,520	13,569,599
	57,822,447	57,313,526

The amounts due from subsidiary companies which arose mainly from inter-company advances and payments made on behalf are unsecured, interest free and have no fixed repayment terms.

NOTES TO THE FINANCIAL STATEMENTS

31st December, 2000

4. SUBSIDIARY COMPANIES (cont'd)

The subsidiary companies are as follows:

Name of Company	Country of Incorporation	Holding in Equity		Principal Activities
		2000 %	1999 %	
Chuan Huat Hardware Holdings Sdn Bhd	Malaysia	100	100	Investment holding
Chuan Huat Hardware (Sdn) Berhad	Malaysia	100	100	Hardware merchant
Disccomp Berhad (formerly known as Disccomp Magnetics (M) Sdn Bhd and subsequently known as Disccomp Sdn Bhd)	Malaysia	# 95.3	# 95.3	Manufacturing and marketing of computer diskettes
CH Steel Wire Products Sdn Bhd	Malaysia	# 65.2	# 70	Processing and trading of steel wire products
SC Multimedia Technology Sdn Bhd	Malaysia	# 100	# 100	Computer merchants and retailers
CH Reinforcing Steel (M) Sdn Bhd	Malaysia	# 51	# 51	Dormant
Optical Disc Technology Sdn Bhd	Malaysia	# 55	# 55	Manufacturing of CD-ROMs, video CDs and audio CDs
ODT Marketing Sdn Bhd	Malaysia	# 100	# 100	Retailing and supplying of compact discs
SC Multimedia Product Sdn Bhd	Malaysia	# 100	# 100	Manufacturing and trading in magnetic media products
Chuan Huat Metal Sdn Bhd	Malaysia	# 80	# 80	Trading in building materials
Interactive Publication Sdn Bhd	Malaysia	# 100	# 80	Multimedia publication services
Vibrant Innovations Sdn Bhd	Malaysia	# 67	# 67	Dormant
Triumph Consolidated Sdn Bhd	Malaysia	# 93.75	# 93.75	Steel service centre
Chuan Huat Industrial Marketing Sdn Bhd	Malaysia	# 100	# 100	Hardware dealers and marketing
CHRB Selatan Sdn Bhd (formerly known as Consteel Marketing Sdn Bhd)	Malaysia	# 80	# 80	Hardware dealers and marketing
CHRB Utara Sdn Bhd	Malaysia	# 97	# 97	Dealing in building materials

NOTES TO THE FINANCIAL STATEMENTS

31st December, 2000

4. SUBSIDIARY COMPANIES (cont'd)

Name of Company	Country of Incorporation	Holding in Equity		Principal Activities
		2000 %	1999 %	
Richter Precision (Asia) Sdn Bhd	Malaysia	# 100	# 100	Refurbishing of compact disc mould and mirror
Pineapple Computer Systems Sdn Bhd	Malaysia	# 90	# 55	Retailing in computers and related accessories
Pineapple Computer Training Centre Sdn Bhd	Malaysia	# 100	# 100	Dormant
Pineapple Computer (PJ) Sdn Bhd (formerly known as Pineapple Computer (1-Utama) Sdn Bhd)	Malaysia	# 80	# 80	Dormant
Pineapple Computer (Low Yat Plaza) Sdn Bhd	Malaysia	# 100	# 51	Retailing in computers and related accessories
CH-Lion Reinforcing Steel Sdn Bhd	Malaysia	# 100	# 100	Cutting and bending of steel bars

The subsidiary company acquired during the financial year is as follow:

Name of Company	Country of Incorporation	Holding in Equity %	Principal Activities
CHRB Corporation Sdn Bhd	Malaysia	# 100	Investment holding

Holding in equity by subsidiary companies.

5. ASSOCIATED COMPANY

	GROUP	
	2000 RM	1999 RM
Unquoted shares at cost	2,250,000	2,250,000
Share of post-acquisition profits/(losses)	124,155	(21,607)
	2,374,155	2,228,393
Amount due to an associated company	-	(331,251)
	2,374,155	1,897,142

NOTES TO THE FINANCIAL STATEMENTS

31st December, 2000

5. ASSOCIATED COMPANY (cont'd)

The Group's interest in the associated company is analysed as follows:

	GROUP	
	2000 RM	1999 RM
Share of net assets	2,361,949	2,216,187
Premium on acquisition	12,206	12,206
	2,374,155	2,228,393

The associated company is as follow:

Name of Company	Country of Incorporation	Holding in Equity		Accounting year end	Principal Activities
		2000 %	1999 %		
Vintage Consolidated Sdn Bhd	Malaysia	# 25	# 25	31st December	Trading, retailing and supplying of all kinds of steel products

Holding in equity by a subsidiary company.

6. INVESTMENTS

	GROUP	
	2000 RM	1999 RM
Quoted shares in Malaysia at cost	53,100	53,100
Unquoted shares at cost	4,069,814	1,377,846
	4,122,914	1,430,946
Market value of quoted shares	9,100	22,800

7. INTANGIBLE ASSETS

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Preliminary expenses	15,020	12,620	2,300	2,300
Pre-operating expenses	155,891	149,105	147,470	147,470
Licence fee	136,600	136,600	-	-
	307,511	298,325	149,770	149,770
Accumulated amortisation	(92,219)	(78,563)	(44,931)	(44,931)
Amount written off	(112,124)	-	(104,839)	-
	103,168	219,762	-	104,839

NOTES TO THE FINANCIAL STATEMENTS

31st December, 2000

7. INTANGIBLE ASSETS (cont'd)

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Goodwill on consolidation	147,289	147,289	-	-
Accumulated amortisation	(47,707)	(42,175)	-	-
	99,582	105,114	-	-
Total	202,750	324,876	-	104,839
Pre-operating expenses for the financial year included the following expense:				
Auditors' remuneration	1,000	900	-	-

8. STOCKS

	GROUP	
	2000 RM	1999 RM
At cost:		
Raw materials	1,609,961	1,565,666
Finished goods	25,066,712	25,692,643
Work-in-progress	181,436	150,236
	26,858,109	27,408,545
Provision for stocks obsolescence	(11,387)	(11,387)
	26,846,722	27,397,158

9. TRADE DEBTORS

	GROUP	
	2000 RM	1999 RM
Trade debtors	98,540,822	97,169,738
Provision for doubtful debts	(4,917,355)	(3,128,995)
	93,623,467	94,040,743

10. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Other debtors, deposits and prepayments	4,909,493	5,246,279	3,792	3,792
Provision for doubtful debts	(30,473)	(24,873)	-	-
	4,879,020	5,221,406	3,792	3,792

NOTES TO THE FINANCIAL STATEMENTS

31st December, 2000

11. OTHER CREDITORS AND ACCRUALS

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Other creditors and accruals	7,519,218	8,314,725	28,830	24,000
Hire purchase creditors (Note 15)	328,162	224,168	-	-
	7,847,380	8,538,893	28,830	24,000

12. SHORT-TERM BORROWINGS

	GROUP	
	2000 RM	1999 RM
Bank overdrafts		
- unsecured	910,153	484,937
- secured	-	797,064
Bills payable		
- unsecured	77,546,000	67,944,882
- secured	-	2,683,000
Term loans		
- portion repayable within one year (Note 16)	2,292,286	2,942,683
	80,748,439	74,852,566

The short term borrowings carry interest rates ranging from 1% to 2.5% per annum above the respective bank's base lending rate.

13. SHARE CAPITAL

	GROUP AND COMPANY	
	2000 RM	1999 RM
Authorised:		
Ordinary shares of RM1.00 each At 1st January	100,000,000	50,000,000
Created during the financial year	-	50,000,000
At 31st December	100,000,000	100,000,000
Issued and fully paid:		
Ordinary shares of RM1.00 each At 1st January	39,999,000	39,999,000
Issued during the financial year	22,000	-
At 31st December	40,021,000	39,999,000

As at 31st December, 2000, there were 13,089,283 warrants with a right to subscribe for ordinary shares of the Company on the basis of one new ordinary share for every one warrant held, and not exercised, at the subscription price of RM1.00 per ordinary share. These warrant holders may exercise their right at any time not later than 5.00 p.m. on 13th August, 2004.

During the financial year, the issued and paid up share capital of the Company was increased from RM39,999,000 to RM40,021,000 by the issue of 22,000 ordinary shares pursuant to the exercise of the right to subscribe for share at RM1.00 per ordinary share by the warrant holders.

NOTES TO THE FINANCIAL STATEMENTS

31st December, 2000

14. RESERVES

	Share Premium RM	Reserve on Consolidation RM	Non-distributable Capital reserves RM	Distributable Retained profit RM	2000 Total RM	1999 Total RM
GROUP						
At 1st January	16,722,712	10,864,142	136,352	10,709,360	38,432,566	35,019,058
Listing expenses	-	-	-	-	-	(18,806)
Reserve on consolidation arising from acquisition of additional equity interest in a subsidiary company	-	3,887	-	-	3,887	12,119
Amortisation of reserve on consolidation	-	(494,203)	-	-	(494,203)	(493,910)
Capital reserve overstated in prior year arising from disposal of a subsidiary company	-	-	(51,678)	-	(51,678)	-
Dilution arising from change in equity interest in a subsidiary company	-	-	-	-	-	(20,068)
Net profit for the financial year	-	-	-	3,624,366	3,624,366	4,219,991
Dividend	-	-	-	(800,506)	(800,506)	(287,993)
Accretion arising from change in equity interest in a subsidiary company	-	-	70,246	-	70,246	2,175
Capitalised for bonus issue by a subsidiary company	-	-	1,000,000	(1,000,000)	-	-
At 31st December	16,722,712	10,373,826	1,154,920	12,533,220	40,784,678	38,432,566

NOTES TO THE FINANCIAL STATEMENTS

31st December, 2000

14. RESERVES (cont'd)

	<u>Non- distributable</u> Share Premium RM	<u>Distributable</u> Retained profit RM	2000 Total RM	1999 Total RM
COMPANY				
At 1st January	16,722,712	395,302	17,118,014	17,463,241
Listing expenses	-	-	-	(18,806)
Profit/(Loss) for the financial year	-	760,808	760,808	(326,421)
Dividend	-	(800,420)	(800,420)	-
At 31st December	16,722,712	355,690	17,078,402	17,118,014

15. DEFERRED CREDITORS

	GROUP	
	2000 RM	1999 RM
Hire purchase creditors	808,407	390,763
Portion payable within one year and included in other creditors and accruals (Note 11)	(328,162)	(224,168)
	480,245	166,595
Loan from Lim Kim Chuan & Sons Holding Sdn Bhd a related party in which certain Directors have an interest	989,805	4,761,937
Loan from a third party	618,712	1,120,000
	2,088,762	6,048,532

The loan from Lim Kim Chuan & Sons Holdings Sdn Bhd, in which certain Directors (Lim Kim Chuan, Dato' Lim Khoon Heng, Lim Loong Heng, Lim Khoon Hock and Hew Kwee Won) have an interest is unsecured, carries interest at 4% per annum and has no fixed term of repayment.

The loan from a third party represents a loan from a former Director, Tan Sri Wan Azmi bin Wan Hamzah, who has resigned during the financial year. The amount is unsecured, carries interest at 4% per annum and has no fixed term of repayment.

16. TERM LOANS

	GROUP	
	2000 RM	1999 RM
Term loans - secured	4,586,824	7,344,694
- unsecured	-	438,569
	4,586,824	7,783,263
Portion repayable within one year (Note 12)	(2,292,286)	(2,942,683)
	2,294,538	4,840,580

NOTES TO THE FINANCIAL STATEMENTS

31st December, 2000

16. TERM LOANS (cont'd)

The term loans are repayable over the following periods:

	GROUP	
	2000 RM	1999 RM
Within one year	2,292,286	2,942,683
From one to two years	2,285,247	2,230,736
From two to five years	9,291	1,903,025
Over five years	-	706,819
	4,586,824	7,783,263

The term loans are secured by way of charges over the landed properties of certain subsidiary companies. The term loans carry interest rates ranging from 1% to 2.5% per annum above the respective bank's base lending rate.

17. DEFERRED TAXATION

	GROUP	
	2000 RM	1999 RM
Deferred taxation provided for in the financial statements: - excess of capital allowances over depreciation	648,390	368,390
Deferred taxation not provided for in the financial statements: - timing differences on fixed assets which are not expected to reverse in the foreseeable future	2,961,000	3,585,600
Unutilised tax losses carried forward for which no credit has been taken in the net income of the current or prior years	2,204,000	1,721,000
Unabsorbed capital allowances carried forward for which no credit has been taken in the net income of the current or prior years	2,584,000	3,324,800

The unutilised tax losses and unabsorbed capital allowances carried forward are subject to agreement with the tax authorities.

18. REVENUE

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Sales of goods	285,419,184	187,314,138	-	-
Rental income	387,975	352,585	-	-
Dividend income from subsidiary companies	-	-	1,349,200	-
	285,807,159	187,666,723	1,349,200	-

NOTES TO THE FINANCIAL STATEMENTS

31st December, 2000

19. FINANCE COSTS

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Interest expenses on:				
- bills payable	1,184,304	1,711,985	-	-
- bank overdrafts	113,035	175,948	-	-
- term loans	494,249	793,343	-	-
- hire purchase	66,136	110,236	-	-
- loan from a Director	40,000	40,000	-	-
- loan from a company in which certain Directors have interest	160,000	160,000	-	-
- others	19,986	27,337	-	-
Bank charges	227,762	250,644	489	410
	2,305,472	3,269,493	489	410

20. PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before taxation is arrived at:

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
After charging:				
Directors' remuneration:				
- fees	79,000	79,000	16,000	16,000
- other emoluments	914,390	739,500	-	-
Auditors' remuneration:				
- current year	80,550	72,100	5,000	4,000
- overprovision in prior year	(2,895)	-	-	-
Depreciation	6,010,121	5,901,599	450	450
Intangible assets written off	112,124	-	104,839	-
Amortisation of:				
- goodwill on consolidation	5,532	19,447	-	-
- intangible assets	13,656	44,769	-	14,977
Rental of premises	138,308	150,720	-	-
Rental of office equipment	-	87,647	-	-
Provision for:				
- doubtful debts	1,819,697	807,955	-	-
- stocks obsolescence	-	11,387	-	-
Bad debts written off	300,000	1,536,782	-	-
Fixed assets written off	81,945	2,190	-	-
Loss on disposal of investment properties	18,426	54,681	-	-
Loss on disposal of fixed assets	-	36,303	-	-
And crediting:				
Rental income from:				
- Directors	9,600	9,600	-	-
- others	865,228	668,737	-	-
Gross dividend income from a subsidiary company	-	-	1,349,200	-
Amortisation of reserve on consolidation	494,203	493,910	-	-
Interest income from:				
- fixed deposit	2,883	41,992	-	-
- others	40,712	779	-	-
Provision for doubtful debts written back	25,737	1,907,018	-	-
Profit on disposal of fixed assets	179,655	-	-	-
Management fee from subsidiary companies	-	-	48,000	48,000

NOTES TO THE FINANCIAL STATEMENTS

31st December, 2000

21. TAXATION

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Current year provision	2,403,129	17,000	400,000	-
Overprovision in prior years	(327,718)	(41,121)	-	(4,849)
Recovery of tax deducted at source on dividend received and receivable from a subsidiary company and an associated company	(442,876)	(18,900)	-	-
Share in taxation of associated company	10,380	10,874	-	-
Deferred taxation	280,000	(397,320)	-	-
	1,922,915	(429,467)	400,000	(4,849)

The effective tax rate of the Group and of the Company is higher than the statutory tax rate mainly due to certain expenses which are not allowable for tax purposes.

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of dividend out of its balance of retained profit as at 31st December, 2000.

22. DIVIDEND

	GROUP AND COMPANY	
	2000 RM	1999 RM
Proposed first and final tax exempt dividend of 2 sen per ordinary share (1999: 1 sen per ordinary share less 28% income tax)	800,420	287,993
Underprovision in prior year arising from warrant exercised by warrant holders	86	-
	800,506	287,993

23. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the financial year:

	GROUP	
	2000	1999
Net profit attributable to shareholders (RM)	3,624,366	4,219,991
Weighted average number of ordinary shares	40,011,564	39,999,000
Basic earnings per share (sen)	9.06	10.55

For the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares which is the warrants granted to warrant holders.

NOTES TO THE FINANCIAL STATEMENTS

31st December, 2000

23. EARNINGS PER SHARE (cont'd)

	GROUP	
	2000	1999
Net profit attributable to shareholders (RM)	3,624,366	4,219,991
Weighted average number of ordinary shares:		
- in issue during the financial year	40,011,564	39,999,000
- adjustments for warrants	9,429,643	9,438,655
	49,441,207	49,437,655
Diluted earnings per share (sen)	7.33	8.54

The fully diluted earnings per share is calculated by dividing the group profit after tax and minority interests of RM3,624,366 (1999: RM4,219,991) by the weighted average number of ordinary shares of 49,441,207 (1999: 49,437,655) that include warrants that would have been exercised at that date.

24. CASH FLOW STATEMENTS

a) Adjustment for non-cash items and interests

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Amortisation of goodwill on consolidation	5,532	19,447	-	-
Amortisation of intangible assets	13,656	44,769	-	14,977
Amortisation of reserve on consolidation	(494,203)	(493,910)	-	-
Bad debts written off	300,000	1,536,782	-	-
Intangible assets written off	112,124	-	104,839	-
Depreciation	6,010,121	5,901,599	450	450
(Profit)/Loss on disposal of fixed assets	(179,655)	36,303	-	-
Loss on disposal of investment properties	18,426	54,681	-	-
Interest income	(43,595)	(42,771)	-	-
Interest expenses	2,077,710	3,018,849	-	-
Share in results of an associated company	(256,941)	(358,133)	-	-
Provision for doubtful debts	1,819,697	807,955	-	-
Fixed assets written off	81,945	2,190	-	-
Provision for stocks obsolescence	-	11,387	-	-
Provision for doubtful debts written back	(25,737)	(1,907,018)	-	-
	9,439,080	8,632,130	105,289	15,427

b) Purchase of fixed assets

During the financial year, the Group acquired fixed assets with an aggregate cost of RM3,569,587 (1999: RM1,702,994) of which RM705,788 (1999: RM188,800) was acquired by means of hire purchase. Cash payments of RM2,863,799 (1999: RM1,514,194) were made to purchase fixed assets.

c) Cash and cash equivalents at end of the financial year

	GROUP		COMPANY	
	2000 RM	1999 RM	2000 RM	1999 RM
Fixed deposit with a licensed bank	20,000	-	-	-
Cash and bank balances	5,669,030	1,607,148	122,612	4,375
Bank overdrafts	(910,153)	(1,282,001)	-	-
	4,778,877	325,147	122,612	4,375

NOTES TO THE FINANCIAL STATEMENTS

31st December, 2000

25. SUMMARY OF EFFECTS ON ACQUISITION OF A SUBSIDIARY COMPANY

a) Net assets acquired

	GROUP	
	2000 RM	1999 RM
Fixed assets	-	80,546
Stocks	-	95,128
Debtors	-	508,027
Intangible assets	2,400	-
Cash and bank balances	-	41,653
Creditors	(2,398)	(538,106)
Minority interests	-	(75,663)
Net assets acquired	2	111,585
Reserves on consolidation	-	(8,447)
Goodwill	-	7,441
Purchase consideration	2	110,579
Reclassification from an associated company	-	(30,577)
Cash and bank balances acquired	-	(41,653)
Cash flows on acquisition net of cash and bank balances acquired	2	38,349

b) The effect of the acquisition of a subsidiary company on the financial results of the Group during the financial year is as follow:

	2000 RM	1999 RM
Revenue	-	6,279,353
Other operating income	-	674,483
Changes in inventories of finished goods and works-in-progress	- 1,450,474	
Purchases of finished goods	-	(7,084,344)
Staff costs	(60,008)	(383,981)
Depreciation and amortisation expenses	-	(77,063)
Other operating expenses	(11,577)	(1,003,965)
Loss from operations	(71,585)	(145,043)
Finance costs	(9)	(1,778)
Loss before taxation	(71,594)	(146,821)
Taxation	(2,840)	(1,500)
Loss after taxation	(74,434)	(148,321)
Minority interests	-	37,297
Loss attributable to shareholders	(74,434)	(111,024)

NOTES TO THE FINANCIAL STATEMENTS

31st December, 2000

25. SUMMARY OF EFFECTS ON ACQUISITION OF A SUBSIDIARY COMPANY (cont'd)

- c) The effect of the acquisition of a subsidiary company on the financial position of the Group at the financial year end is as follow:

	2000 RM	1999 RM
Fixed assets	-	2,097,619
Deferred expenditure	-	5,635
Stocks	-	1,450,474
Debtors	1,260	2,834,732
Cash and bank balances	20,651	239,446
Creditors	(12,708)	(4,599,506)
Taxation	(2,840)	-
Minority interests	-	(122,570)
Deferred taxation	-	(1,500)
Investment in an associated company	6,363	1,904,330
	-	(30,577)
Increase in Group's net assets	6,363	1,873,753

26. RELATED PARTY TRANSACTIONS

Related parties and relationship

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

- related companies being subsidiary companies of Chuan Huat Resources Berhad.
- 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:

- a) Sale of goods

	GROUP	
	2000 RM	1999 RM
Other related parties		
- Ahmad Zaki Sdn Bhd	808,833	497,972
- AZSB Industrial Marketing Sdn Bhd	5,226,184	15,964,968
- Basic Electronic (S) Pte Ltd	4,490,678	2,374,464
- Pineapple Computer Sales & Service Sdn Bhd	63,853	21,184
	10,589,548	18,858,588

- b) Purchase of goods

	GROUP	
	2000 RM	1999 RM
Other related parties		
- Vintage Consolidated Sdn Bhd	2,368,051	27,671,152
- Basic Electronic (S) Pte Ltd	1,587,307	-
- Pineapple Computer Sales & Service Sdn Bhd	1,273,603	773,334
	5,228,961	28,444,486

NOTES TO THE FINANCIAL STATEMENTS

31st December, 2000

26. RELATED PARTY TRANSACTIONS (cont'd)

Ahmad Zaki Sdn Bhd and AZSB Industrial Marketing Sdn Bhd are companies in which, Dato' Haji Wan Zaki bin Haji Wan Muda, a Director of the Company, has a substantial financial interest.

Mr. Au Weng Keong, a Director of Optical Disc Technology Sdn Bhd, has a substantial financial interest in Basic Electronic (S) Pte Ltd.

Pineapple Computer Sales & Service Sdn Bhd, is a company in which, Mr. Yeo Pek Hiang, a Director of Pineapple Computer Systems Sdn Bhd, has a substantial financial interest.

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 less favourable than those arranged with independent third parties.

27. CAPITAL COMMITMENTS

The Group has commitments as follows:

	GROUP	
	2000 RM	1999 RM
Capital expenditure approved and contracted for	639,090	874,996

28. CONTINGENT LIABILITIES

	COMPANY	
	2000 RM	1999 RM
Guarantees in respects of banking facilities granted to subsidiary companies - unsecured	88,350,000	45,550,000

29. SEGMENTAL ANALYSIS

2000	Turnover RM	Profit/ (Loss) RM	Total Assets Employed RM
Trading in hardware and building materials	251,807,139	5,174,085	142,635,752
Manufacturing and trading of information technology related products	33,612,045	2,179,014	33,247,579
Investment holding	387,975	(1,911,232)	27,376,138
	285,807,159	5,441,867	203,259,469
Share in results of an associated company		256,941	
Non segment activities		494,203	
		6,193,011	

NOTES TO THE FINANCIAL STATEMENTS

31st December, 2000

29. SEGMENTAL ANALYSIS (cont'd)

	Turnover RM	Profit/ (Loss) RM	Total Assets Employed RM
1999			
Trading in hardware and building materials	159,948,208	4,076,608	131,516,347
Manufacturing and trading of information technology related products	27,365,930	842,286	35,468,138
Investment holding	352,585	(1,949,174)	32,086,455
	<u>187,666,723</u>	2,969,720	<u>199,070,940</u>
Share in results of an associated company		358,133	
Non segment activities		<u>474,463</u>	
		<u>3,802,316</u>	

No geographical segmental analysis is presented as the Group operates principally in Malaysia.

30. CORPORATE INFORMATION

- a. The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Second Board of the Kuala Lumpur Stock Exchange.

- b. Registered office and principal place of business

The registered office and principal place of business of the Company are located at Wisma Lim Kim Chuan, Lot 50A, Section 92A, 3½ Miles, Off Jalan Sungei Besi, 57100 Kuala Lumpur.

- c. Staff numbers

	GROUP		COMPANY	
	2000	1999	2000	1999
Total number of employees, including directors, employed by the Group and the Company as at end of the financial year	354	332	9	9

31. MATERIAL EVENT

During the financial year, the Company proposed to establish and implement an employee share option scheme, for the benefit of eligible directors and employees of Chuan Huat Resources Berhad's Group.

The Company has obtained approval from relevant authorities but is subject to the approval of the Company's shareholders in the forthcoming Extraordinary General Meeting on 20th April 2001.

32. SUBSEQUENT EVENT

Subsequent to the financial year end, Disccomp Berhad ("Disccomp"), a subsidiary of Chuan Huat Resources Berhad, had submitted applications to obtain the regulatory approvals for the proposed flotation of Disccomp on Malaysian Exchange of Securities Dealing and Automated Quotation ("MESDAQ") from the Ministry of International Trade and Industry, MESDAQ and the Securities Commission.

The proposed flotation scheme is subject to the approvals from the relevant authorities.

33. COMPARATIVE FIGURES

The presentation of the financial statements for the current financial year has been changed to adopt the format as prescribed in Malaysian Accounting Standards Board (MASB) Standard No. 1-Presentation of Financial Statements. Comparative figures have been reclassified to conform with this presentation, where necessary.

LIST OF PROPERTIES

Description of Properties Properties / Usage	Location	Land Area/ Build-Up Area (sq. metre)	Tenure / Approximate Age Of Building (years)	Net Book Value (RM'000)
Leasehold industrial land used as open warehouse	Lot 17, Section 92A Town of Kuala Lumpur Wilayah Persekutuan	3,333	Leasehold 42 years expiring in 2017 / -	897
Leasehold industrial land with warehouse cum office block	P.T.50, Section 92A Town of Kuala Lumpur Wilayah Persekutuan	4,919/3,257	Leasehold 42 years expiring in 2017 / 9	3,327
Leasehold industrial land with factory cum office block	P.T.1651, Mukim Setul District of Seremban Nilai Industrial Estate Negeri Sembilan	15,570/7,041	Leasehold 99 years expiring in 2090 / 11	5,197
Leasehold industrial land factory cum office block and canteen	P.T.I888, Mukim Setul District of Seremban Nilai Industrial Estate Negeri Sembilan	28,416/6,297	Leasehold 99 years expiring in 2091 / 7	7,136
2 Apartments / rented out	Units A4-5 & A4-6 Tudor Court Apartment Taman Rasmi Jaya Ampang	9,920/82 per unit	Leasehold 99 years expiring in 2090 / 16	147
Office space / rented out	Unit P5.04, 5th Floor BICMA Building Lot 2, Jalan 243/51A Petaling Jaya	4,750/898	Leasehold 99 years expiring in 2073 / 11	289
2 Plots of leasehold industrial land with a factory each / rented out	Lot Nos. 3017 & 3018 65 Jalan Medan 3 Taman Medan Petaling Jaya, Selangor	167 per lot	Leasehold 99 years expiring in 2073 / 11	435
Freehold land with a bungalow house / vacant	Lot No. 17495 Mukim and District of Kuala Lumpur Wilayah Persekutuan	692/327	Freehold / 22	494
Freehold land with a bungalow house / vacant	Lot No. 17339 Mukim Land District of Kuala Lumpur Wilayah Persekutuan	418/274	Freehold / 22	415
Freehold land with a bungalow house / vacant	Lot No. 28416 Mukim and District of Kuala Lumpur Wilayah Persekutuan	515/428	Freehold / 22	530
Leasehold industrial land with 2-storey industrial building	P.T. No. 4, Section 92 Town of Kuala Lumpur Wilayah Persekutuan	4047	Leasehold 42 years expiring in 2009 / 51	969
Leasehold industrial land used as open warehouse	Lot No.19, Section 92A Town of Kuala Lumpur Wilayah Persekutuan	2,465	Leasehold 42 years years expiring in 2017 / -	486

LIST OF PROPERTIES

Description of Properties Properties / Usage	Location	Land Area/ Build-Up Area (sq. metre)	Tenure / Approximate Age Of Building (years)	Net Book Value (RM'000)
Leasehold industrial land with factory cum office building	Lot 1566, Mukim of Setul District of Seremban Nilai Indutsrial Estate Negeri Sembilan	16,820 / 2,358	Leasehold 99 years expiring in 2089 / 12	3,806
Apartment / vacant	P.T.No. 10330, Mukim And District of Bentung Pahang	60 / 60	Freehold / 6	184
Freehold land with double-storey house / vacant	PT No 5590, Desa Anggerik Phase 4 Bandar Baru Nilai Seremban	282.2/120.75	Freehold / 5	170
Shoplot 4 1/2 storey / rented out	34-2 Jalan Wangsa2/5 Taman Wangsa Permai 52100 Kuala Lumpur	1,221.42	Leasehold 99 years expiring 2098 / 3	130
Townhouse / vacant	Lot C28-1B 1 st Floor Block C 56 Jalan 1/155A Bukit OUG Kuala Lumpur	1,185	Freehold / 4	218
Freehold land used as open warehouse	Lot 10464 5 th Miles Kg Jawa Off Jalan Bukit Kemuning 41000 Kelang	40,645.82	Freehold / -	5,645
Industrial Land / vacant	Plot P204 Bukit Minyak Ind. Area Mukit 13 Central District Pulau Pinang	14,163.99	Leasehold 60 years expiring 2057 / -	1,836
Shoplot 2- storey / vacant	No 66 Jalan SBC 3 Taman Sri Batu Caves 68100 Batu Caves	193.4	Freehold / 4	458
Apartment / vacant	Unit 12/132 (Gold Mansion) Pangsapuri Pasir Emas Straits Court Melaka	992.20	Freehold / 4	154
Leasehold land / vacant	Lot 6 Jalan 7 Kawasan Perusahaan Foundry dan Kejuruteraan Rasa Hulu Selangor	10,927	Leasehold 99 years expiring 2095 / -	797
2 Lots of three storey shop houses / vacant	Lot 7251 & 7252 Jalan BBN, 1-2A Bandar Baru Nilai 71800 Nilai Negeri Sembilan	167.2/150.5 per lot	Freehold / 5	768

LIST OF PROPERTIES

Description of Properties Properties / Usage	Location	Land Area/ Build-Up Area (sq. metre)	Tenure / Approximate Age Of Building (years)	Net Book Value (RM'000)
3 Level of 5 storey shoplot / rented out	Block B Unit 11 Level 1, 2, 4 Krystal Point Commercial Centre Bayan Lepas, Penang	Level 1 - 949.0 Level 2 & 4 -1,049.0	Freehold / 3	885
Apartment / vacant	No 4/15 15 th Floor Desa Bistari Phase II Penang	700.0	Freehold / 3	112
Apartment / vacant	Block No N-9-12 Desa Medura Taman Desa Relau 2 Penang	700.0	Freehold / 3	122
Apartment / vacant	No 10 Storey No 10 Block B Suria Mutiara Penang	830.0	Freehold / 3	148
4 1/2 storey shopoffice / vacant	53-C, Tingkat 2 Jalan BRP 6/10 Bukit Rahman Putra Seksyen U20, Shah Alam 40160 Selongor	153.3	Freehold / 3	149
Double storey terrace house / vacant	82, Tmn Lian Hoe Jalan Kuchai Lama 58100 Kuala Lumpur	148.6	Freehold / 16	185
Single storey terrace house / vacant	12, Jalan Kenari 12E/8 Lembah Beringin 44110 Kuala Kubu Bahru Selangor	132.8	Freehold / 4	90
Condominium / vacant	30-21-4, Reagon Tower Pandan Height Tmn Pandan Perdana 56100 Kuala Lumpur	199.5	Freehold / 4	264
3 units condominium / 1 vacant 2 rented out	T1-E, T1-F & T2-E Kampong Warisan Condo Jalan Jelatek, Ampang Kuala Lumpur	130.4 per unit	Freehold / 5	919
4 storey shopoffice / 1 storey rented out & 3 vacant	19, Lorong Tiara 1B Bandar Baru Klang 41150 Klang Klang	306.5	Leasehold 99 years expiring 2093 / 9	2,300
3 storey shoplot / 1 rented & 2 vacant	60, Jalan Melaka Raya 20 Taman Melaka Raya Melaka	143	Leasehold 99 years expiring 2093 / 1	375
3 storey shoplot / vacant	62, Jalan Melaka Raya 20 Taman Melaka Raya Melaka	143	Leasehold 99 years expiring 2093 / 1	348

LIST OF PROPERTIES

Description of Properties Properties / Usage	Location	Land Area/ Build-Up Area (sq. metre)	Tenure / Approximate Age Of Building (years)	Net Book Value (RM'000)
Condominium / vacant	B12-1, Eden Fairway Condominium Penang	172.12	Freehold / 2	350
3 storey shophot / vacant	606, Jalan Haruan 4/8 Oakland Commercial Center 70300 Seremban	929	Freehold / 1	292
3 storey shophot / vacant	605, Jalan Haruan 4/8 Oakland Commercial Center 70300 Seremban	929	Freehold / 1	292
3 storey shophot / vacant	604, Jalan Haruan 4/8 Oakland Commercial Center 70300 Seremban	929	Freehold / 1	292
3 storey shophot / vacant	603, Jalan Haruan 4/8 Oakland Commercial Center 70300 Seremban	929	Freehold / 1	292

ANALYSIS BY SIZE OF SHAREHOLDINGS

As At 10th April 2001

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	PERCENTAGE OF SHAREHOLDERS	NO. OF SHARES	PERCENTAGE OF SHARES
Less than 1000	10	0.34	2,311	0.01
1,000 - 10,000	2,886	96.72	5,834,500	14.58
10,001 - 100,000	68	2.28	1,709,844	4.27
100,00 - Less than 5% of issued shares	15	0.50	11,476,263	28.68
5% and above of issued shares	5	0.17	20,998,082	52.47
TOTAL	2,984	100.00	40,021,000	100.00

LIST OF TOP 30 SHAREHOLDERS / DEPOSITORS as at 10th April 2001

NO.	NAME	NUMBER OF SHARES	PERCENTAGE
1.	DATO' LIM KHOON HENG	4,768,175	11.91
2.	LIM LOONG HENG	4,768,174	11.91
3.	LIM KHOON HOCK	4,768,174	11.91
4.	DATO' HAJI WAN ZAKI BIN HAJI WAN MUDA	3,835,197	9.58
5.	TAN SRI WAN AZMI BIN WAN HAMZAH	2,858,362	7.14
6.	W MOHAMED @ NIK AZAM BIN WAN HAMZAH	1,997,360	4.99
7.	LIM KIM CHUAN	1,803,142	4.50
8.	CHEN CHIN SANG	1,798,316	4.49
9.	HEW KWEE WON	1,798,133	4.49
10.	CHONG MOAN LAM @ CHEONG MOON LAM	1,394,500	3.48
11.	LEMBAGA TABUNG HAJI	600,000	1.49
12.	MAYBAN SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEOW CHOW KUEN	335,000	0.83
13.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD UBS AG SINGAPORE FOR PACIFIC INVESTMENT FUND	334,000	0.83
14.	CHONG KIM FOO	305,312	0.76
15.	AU WENG KEONG	289,500	0.72
16.	WONG GUANG SENG	200,000	0.49
17.	RHB NOMINEES (ASING) SDN BHD RHB-CATHAY SECURITIES PTE LTD FOR LEE CHIN WENG	198,000	0.49
18.	YEANG KIM SIEW	193,000	0.48
19.	MAYBAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DALI KUMAR @ DALI BIN SARDAR	120,000	0.29
20.	AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD AMANAH SAHAM JOHOR	110,000	0.27
21.	TASEC NOMINEES (ASING) SDN BHD MEESPIERSON ASIA LIMITED FOR SAVERN FINANCE LIMITED	90,000	0.22
22.	CHEN THIAM KWEE @ TAN THIAM KWEE	80,000	0.19
23.	MAYBAN SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SEE CHOK HOCK	70,000	0.17
24.	ANNIE LOO YEAN LAY	60,000	0.14
25.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG WAI LEONG	57,000	0.14
26.	ENG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE KWEE CHENG	56,000	0.13
27.	TAN GIM HOE	54,000	0.13
28.	TSAI CHANG, HSIU-HSIANG	50,000	0.12
29.	LEE YOKE WAN	50,000	0.12
30.	LIM CHENG SIM	50,000	0.12
		33,091,345	82.53

ANALYSIS BY SIZE OF SHAREHOLDINGS

As At 10th April 2001

LIST OF SUBSTANTIAL SHAREHOLDERS

NAME	HOLDINGS	PERCENTAGE
DATO' LIM KHOON HENG	4,768,175	11.91
LIM LOONG HENG	4,768,174	11.91
LIM KHOON HOCK	4,768,174	11.91
DATO' HAJI WAN ZAKI BIN HAJI WAN MUDA	3,835,197	9.58
TAN SRI WAN AZMI BIN WAN HAMZAH	2,858,362	7.14
WAN MOHAMED ALIAS NIK AZAM BIN WAN HAMZAH	1,997,360	4.99
LIM KIM CHUAN	1,803,142	4.50
CHEN CHIN SANG	1,798,316	4.49
HEW KWEE WON	1,798,133	4.49
CHONG MOAN LAM @ CHEONG MOON LAM	1,394,500	3.48

VOTING RIGHTS OF SHAREHOLDERS

Every member of the Company in person or by proxy shall have one (1) vote on a show of hands, in case of poll, shall have one (1) vote for every share he is the holder.

DIRECTORS' INTERESTS as at 21 January 2001

The Directors' interest in the Company and its subsidiaries as at 31st December 2000 as shown in the Directors' Report, remain unchanged as at 21 January 2001

Proxy Form

I/We,
of
being a member/members of Chuan Huat Resources Berhad, hereby appoint
.....of
.....
or failing him/her of

as my/our proxy to vote for me/us and on my/our behalf at the Seventh Annual General Meeting of the Company to be held at Dorsett Regency Hotel Kuala Lumpur, Alamanda Room, 2nd Floor, 172, Jalan Imbi, 55100 Kuala Lumpur on 6 June 2001 at 10.00 a.m. and at every adjournment thereof.

RESOLUTIONS	FOR	AGAINST
No. 1 Adoption of Reports and Accounts		
No. 2 Approval of First and Final Tax Exempt Dividend		
No. 3 Approval of Payment of Directors' Fees		
No. 4 Re-election of the following Directors :- Dato' Lim Khoo Heng		
No. 5 Dali Kumar @ Dali Bin Sardar		
No. 6 Low Beng Choo		
Re-appoint the following Directors retiring pursuant to Section 129(2) of the Companies Act, 1965 who seek re-election under Section 129(6) of the said Act to hold office until the next Annual General Meeting		
No. 7 Lim Kim Chuan		
No. 8 Hew Kwee Won		
No. 9 Re-appointment of Auditors		
No.10 Approval for Directors to issue shares pursuant to Section 132D		

Please indicate with an "X" in the spaces as to how you wish your votes to be cast. If you do not do so, the Proxy will vote or abstain from voting at his discretion.

No. of shares	
---------------	--

Signature

Date

Notes :-

- A member entitled to attend and vote at this Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.
- A member shall be entitled to appoint more than one(1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Act are complied with. Where a member appoints more than one(1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, this form must be executed under its common seal or under the hand of an officer or attorney duly authorised.
- All Forms of Proxy should be deposited at the Company's Registered Office, Wisma Lim Kim Chuan, Lot 50A, Section 92A, 3 1/2 Miles, Off Jalan Sungei Besi 57100 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the Meeting, or any adjournment thereof.
- Any alteration made on this form should be initialed by the person who signs it.