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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Eighth 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 5 June 2002 at 11.00 a.m. for the following purposes: -

AGENDA

1. To receive and adopt the Accounts for the year ended 31 December 2001 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 2001. (Ordinary Resolution 2)
3. To approve the payment of Directors' fees in respect of the year ended 31 December 2001. (Ordinary Resolution 3)
4. To re-elect the following Directors retiring pursuant to Article 63 of the Company's Articles of Association:
 - (i) Dato' Haji Wan Zaki Bin Haji Wan Muda (Ordinary Resolution 4)
 - (ii) Lim Loong Heng (Ordinary Resolution 5)
5. To re-elect the following Director retiring pursuant to Article 68 of the Company's Articles of Association:
 - (i) Wong Kon Fatt (Ordinary Resolution 6)
 - (ii) Tai Keat Chai (Ordinary Resolution 7)
 - (iii) Leow Bock Lim (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 approve publication of Chuan Huat Resources Berhad's annual report in CD-Rom format for the year ending 31 December 2002. (Ordinary Resolution 11)
10. Proposed Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Of Trading Nature

"THAT pursuant to Paragraph 10.09 of Chapter 10 of the Listing Requirements, the Company's subsidiaries be and are hereby authorised to enter into recurrent transactions with the Related Parties , of a revenue or trading nature as set out in Section 3.2 of the circular, which are necessary for its day-to-day operations and are in the ordinary course of business and are on normal commercial terms

Notice of Annual General Meeting (cont'd)

are on terms not more favourable to the related party than those generally available to the public and not to the detriment of minority shareholders, AND THAT, for the avoidance of doubt, any such transactions entered into by the Company's subsidiaries with the Related Parties from 1 June 2001 until date of AGM, be and are hereby approved and ratified, AND THAT

the Proposed Mandate is subject to annual review. In this respect, any authority conferred by a mandate shall only continue to be in force until :-

- (a) the conclusion of the first annual general meeting of Chuan Huat Resources Berhad following the general meeting at which such Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next annual general meeting after that date is required to be held pursuant to section 143(1) of the Companies Act, 1965 ("CA") (but shall not extend to such extension as may be allowed pursuant to section 143(2) of CA); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND FURTHER THAT, the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this resolution.

(Ordinary Resolution 12)

11. Proposed Amendment To The Memorandum And Articles Of Association

"THAT, the deletions, alterations, modifications, variations and additions to the Memorandum and Articles of Association of the Company as set out in Appendix I of the Circular to Shareholders dated 13 May 2002 be and are hereby approved."

(Special Resolution 1)

12. 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 07152]
(Company Secretaries)

Kuala Lumpur
Date: 13 May 2002

Notice of Annual General Meeting (cont'd)

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 $\frac{1}{2}$ 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 4 September 2002 to depositors who are registered in the Record of Depositors at the close of business on 6 August 2002 if approved by members at the Eighth Annual General Meeting on 5 June 2002.

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 6 August 2002 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.

Statement Accompanying Notice of Annual General Meeting

1. Directors who are standing for election or re-election at the Eighth Annual General Meeting of Chuan Huat Resources Berhad.

- | | | |
|--|---|---|
| i. Dato' Haji Wan Zaki Bin Haji Wan Muda | } | Both retiring by rotation pursuant to Article 63 of The Articles of Association Of the Company. |
| ii. Lim Loong Heng | | |
| iii. Wong Kon Fatt | } | All retiring by rotation pursuant to Articles 68 of the Articles of Association Of the Company |
| iv. Tai Keat Chai | | |
| v. Leow Bock Lim | | |

2. Details of attendance of directors at Board meetings.

There were 7 Board of Directors' Meetings held during the financial year ended 31 December 2001. Attendance for each director is shown below :

Name of Director	Attendance
Lim Kim Chuan #	0/5
Dato' Lim Khoon Heng	7/7
Lim Loong Heng	7/7
Lim Khoon Hock	6/7
Wong Kon Fatt *	3/3
Hew Kwee Won #	0/5
Dato' Haji Wan Zaki Bin Haji Wan Muda	4/7
Tengku Yunus Kamaruddin	5/5
Dali Kumar @ Dali Bin Sardar	6/7
Low Beng Choo **	5/5
Tai Keat Chai***	3/3
Leow Bock Lim ***	3/3

Notes:

- # Resigned on 29 June 2001
 * Appointed on 11 June 2001
 ** Resigned on 6 June 2001
 *** Appointed on 29 June 2001

3. Place, date and time of the Board of Directors' Meetings

All Board of Directors' Meetings were held at the Company's Registered Office, ie at Wisma Lim Kim Chuan, Lot 50A, Section 92A, 3 $\frac{1}{2}$ Miles, Off Jalan Sungei Besi, 57100 Kuala Lumpur.

Date of Meeting	Time
22 February 2001	11.00 a.m
19 March 2001	10.00 a.m
10 April 2001	11.00 a.m
24 May 2001	11.00 a.m
13 June 2001	10.00 a.m
22 August 2001	11.00 a.m
27 November 2001	11.00 a.m

4. Details of Directors who are standing for election or re-election

(a) Directors' Profile

i. **Dato' Haji Wan Zaki Bin Haji Wan Muda**

(Non-Executive Director and member of the Remuneration Committee and Nomination Committee)
Malaysian 53 years of age

Director, holding a non-executive position since 2 May 1997. He is the founder member of Ahmad Zaki Sdn Bhd (AZSB) and began his working career in 1971 as a Financial Assistant with Syarikat Permodalan Pahang Bhd. He later joined Perkayuan Pahang Sdn Bhd in 1973 where he served until 1977 while holding the post of Marketing Manager. In the same year, he joined Pesaka Terengganu Bhd, as its Operations Manager and continued to serve until 1979 prior to joining Pesama Timber Corporation Sdn Bhd as Managing Director. He left Pesama Timber Corporation Sdn Bhd in 1984 to venture into the construction industry by founding AZSB.

ii. **Lim Loong Heng**

(Deputy Managing Director and member of the Audit Committee)
Malaysian 47 years of age

Deputy Managing Director, holding an executive and non-independent position since 2 May 1997. He was attached to Schinger Ltd in the UK as an Assistant Accountant for two years prior to his appointment to the Board of Directors of Chuan Huat Hardware Holdings Sdn Bhd. He currently takes charge of corporate planning matters of the Chuan Huat Resources Berhad Group.

iii. **Wong Kon Fatt**

(Executive Director)
Malaysian 51 years of age

Executive Director, holding an executive and non-independent position since 11 June 2001. He possessed more than 27 years trade experience in Building Materials and had served as Executive Director in Ipunda Berhad from year 1993 to 2000.

iv. **Tai Keat Chai**

(Independent Non-Executive Director and member of Audit Committee, Nomination Committee and Remuneration Committee)
Malaysian 47 years of age

Director, holding a non-executive and independent position since 29 June 2001. He is qualified as a Fellow of the Institute of Chartered Accountants in England and is also a member of the Malaysian Institute of Accountants. He worked at KPMG, London as an Audit Senior between 1977 and 1978, after which he returned to Malaysia and commenced working with PricewaterhouseCoopers in Kuala Lumpur. In 1981, he joined Alliance Merchant Bank Berhad where he worked in corporate finance for 7 years before he ventured into stockbroking, during which time he worked in SJ Securities Sdn Bhd, JB Securities Sdn Bhd and BBMB Securities Sdn Bhd. He is presently a director of Fiscal Corporate Services Sdn Bhd.

v. Leow Bock Lim

(Independent Non-Executive Director and member of Audit Committee, Remuneration Committee and Nomination Committee)

Malaysian 59 years of age

Director, holding a non-executive and independent position since 29 June 2001. He is an associate of The Institute of Chartered Secretaries and Administrators and an associate of the Institute of Canadian Bankers. He is a retired banker who has had over 35 years of working experience in various local and foreign banks. He began his banking career with the OCBC Bank in 1960. In 1962, he left to join United Malayan Banking Corporation Berhad as an operations officer. Between 1966 and 1970, he held various operational and treasury positions in The Chase Manhattan Bank. In 1971 and 1972, he served as the chief operating officer of the Oriental Bank Berhad. Between 1973 and 1977, he was the treasury head of The Bank of Nova Scotia. He joined the Security Pacific Asian Bank in 1978 and was its country head for 12 years. In 1994 he joined Alliance Bank Berhad as its Senior Vice President and served as its head of treasury and international banking prior to his retirement in 2000.

(b) Other information on Directors who are standing for election or re-election:

Conflict of interest

None of the above directors have any family relationship with the other directors of the Company except for Mr. Lim Loong Heng, brother of Dato' Lim Khoon Heng and Mr. Lim Khoon Hock.

None of the other directors above have any conflict of interest with the Company other than Dato' Haji Wan Zaki Bin Haji Wan Muda have related party transactions as stated in the Annual Report.

Securities Holdings

Save for Dato' Haji Wan Zaki Bin Haji Wan Muda has 3,835,197 ordinary shares, Mr. Lim Loong Heng has 4,768,174 ordinary shares and Mr. Wong Kon Fatt has 3,000 ordinary shares in Chuan Huat Resources Berhad respectively, none of the other directors above have any securities in the Company.

Convictions for offences

None of the above directors have been convicted for offences within the past 10 years other than traffic offences, if any.

Corporate Information

BOARD OF DIRECTORS

Dato' Lim Khoon Heng

- (CEO/Group Managing Director)

Lim Loong Heng

- (Deputy Managing Director)

Lim Khoon Hock

- (Executive Director)

Wong Kon Fatt

- (Executive Director)

Dato' Haji Wan Zaki bin Haji Wan Muda

- (Non-Executive Director)

Tai Keat Chai

- (Independent Non-Executive Director)

Dali Kumar @ Dali Bin Sardar

- (Independent Non-Executive Director)

Leow Bock Lim

- (Independent Non-Executive Director)

SECRETARIES

Tay Lee Siang (f) (LS 00129)

Pan Kow Bah (LS 07152)

REGISTERED OFFICE

Wisma Lim Kim Chuan

Lot 50A, Section 92A

3½ 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

Malayan Banking Berhad

Hong Leong Bank Berhad

AUDITORS

Ong Boon Bah & Co.

B-10-1, Megan Phileo Promenade

189, Jalan Tun Razak

50400 Kuala Lumpur

REGISTRAR

Sectrars 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

Profile of Directors

Dato' Lim Khoon Heng

(CEO/Group Managing Director and member of ESOS Committee and Remuneration Committee)

49 years of age

Malaysian

D.S.S.A.

Chief Executive Officer and Group Managing Director, holding an executive and non-independent position since 2 May 1997. He is the Managing Director of Chuan Huat Hardware (Sdn.) Berhad since 14 December 1976. He is responsible for the operation management and strategic planning of the Chuan Huat Resources Berhad Group. He was conferred with the DSSA award which carries the title of "Dato" by the Sultan of Selangor on 13 March 1999. He is also the President of the Metal Dealers Association (Wilayah Persekutuan and Selangor) and the Chairman of Acsan Steel Service Centre Sdn Bhd.

Dato' Lim Khoon Heng is the Non-Executive Chairman in Disccomp Berhad and attended seven out of seven Board Meetings held in the financial year ended 31 December 2001. He is the brother of Mr. Lim Loong Heng and Mr. Lim Khoon Hock, the directors and major shareholders of the Company. He has never been charged for any offence within the past 10 years and has no conflict of interest with the Company.

Lim Loong Heng

(Deputy Managing Director and member of the Audit Committee)

47 years of age

Malaysian

Deputy Managing Director, holding an executive and non-independent position since 2 May 1997. He was attached to Schinger Ltd in the UK as an Assistant Accountant for two years prior to his appointment to the Board of Directors of Chuan Huat Hardware Holdings Sdn Bhd. He currently takes charge of corporate planning matters of the Chuan Huat Resources Berhad Group.

Mr. Lim Loong Heng is the Managing Director in Disccomp Berhad and attended seven out of seven Board Meetings held in the financial year ended 31 December 2001. He is the brother of Dato' Lim Khoon Heng and Mr. Lim Khoon Hock, the directors and major shareholders of the Company. He has never been charged for any offence within the past 10 years and has no conflict of interest with the Company.

Lim Khoon Hock

(Executive Director and member of the ESOS Committee)

45 years of age

Malaysian

Director, holding an executive and non-independent position since 2 May 1997. He is a Director of Chuan Huat Hardware (Sdn.) Berhad since 11 January 1980. He holds a Bachelor's Degree in Civil Engineering from Monash University, Australia. He was attached with the Jabatan Kerja Raya from January 1980 to December 1981, in road construction supervision. He later joined a consultant firm as a Designing Engineer and was part of the team involved in the design of Shangri-La Hotel, Kuala Lumpur. Currently, he leads the Chuan Huat Resources Berhad Group's manufacturing activities.

Mr. Lim Khoon Hock is the Deputy Managing Director in Disccomp Berhad and attended six out of seven Board Meetings held in the financial year ended 31 December 2001. He is the brother of Dato' Lim Khoon Heng and Mr. Lim Loong Heng, the directors and major shareholders of the Company. He has never been charged for any offence within the past 10 years and has no conflict of interest with the Company.

Profile of Directors (cont'd)

Dato' Haji Wan Zaki Bin Haji Wan Muda

(Non-executive Director and member of the Remuneration Committee and Nomination Committee)

53 years of age

DPMT, PPN, PJK

Director, holding a non-executive position since 2 May 1997. He is the founder member of Ahmad Zaki Sdn Bhd (AZSB) and began his working career in 1971 as a Financial Assistant with Syarikat Permodalan Pahang Bhd. He later joined Perkayuan Pahang Sdn Bhd in 1973 where he served until 1977 while holding the post of Marketing Manager. In the same year, he joined Pesaka Terengganu Bhd, as its Operations Manager and continued to serve until 1979 prior to joining Pesama Timber Corporation Sdn Bhd as Managing Director. He left Pesama Timber Corporation Sdn Bhd in 1984 to venture into the construction industry by founding AZSB.

Dato' Haji Wan Zaki is the Executive Chairman in Ahmad Zaki Resources Berhad and attended four out of seven Board Meetings held in the financial year ended 31 December 2001. He has no family relationship with any other director or major shareholder of the Company. He has never been charged for any offence within the past 10 years and has related party transaction with the Company as stated in the Annual Report.

Wong Kon Fatt

(Director)

51 years of age

Malaysian

Director, holding an executive and non-independent position since 11 June 2001. He possessed more than 27 years trade experience in Building Materials and had served as Executive Director in Ipunda Berhad from years 1993 to 2000.

Mr. Wong Kon Fatt attended three out of seven* Board Meetings held in the financial year ended 31 December 2001. He has no family relationship with any other director or major shareholder of the Company. He has never been charged for any offence within the past 10 years and has no conflict of interest with the Company.

* Attended three out of three meetings since date of appointment.

Tai Keat Chai

(Director and member of Audit Committee, Remuneration Committee and Nomination Committee)

47 years of age

Malaysian

Director, holding a non-executive and independent position since 29 June 2001. He is qualified as a Fellow of the Institute of Chartered Accountants in England and is also a member of the Malaysian Institute of Accountants. He worked at KPMG, London as an Audit Senior between 1977 and 1978, after which he returned to Malaysia and commenced working with PricewaterhouseCoopers in Kuala Lumpur. In 1981, he joined Alliance Merchant Bank Berhad where he worked in corporate finance for 7 years before he ventured into stockbroking, during which time he worked in SJ Securities Sdn Bhd, JB Securities Sdn Bhd and BBMB Securities Sdn Bhd. He is presently a director of Fiscal Corporate Services Sdn Bhd.

Mr. Tai Keat Chai is the Director in Discomp Berhad, Amanah Smallcap Fund Berhad, CSM Corporation Berhad and Toyochem Corporation Berhad and attended three out of seven* Board Meetings held in the financial year ended 31 December 2001. He has no family relationship with any other director or major shareholder of the Company. He has never been charged for any offence within the past 10 years and has no conflict of interest with the Company.

* Attended three out of three meetings since date of appointment.

Profile of Directors (cont'd)

Dali Kumar @ Dali Bin Sardar

(Director and member of Audit Committee, Nomination Committee, ESOS Committee and Remuneration Committee)

43 years of age

Malaysian

Director, holding a non-executive and independent position since 15 July 1999.

He was with Citibank/Citicorp (NY/KL) from 1982 to 1996. Prior to his departure, he was the Managing Director of Citicorp Capital Sdn Bhd, a venture capital subsidiary of Citicorp. He left to become the CEO of Utama Merchant Bank Berhad. He left the position at the end of 1996 and set up DTA Capital Partners Sdn Bhd. DTA is a boutique corporate finance set-up. DTA now has a fully owned subsidiary, DTA Ventures, which is managing a venture capital fund owned by the Ministry of Finance, MAVCAP.

Mr. Dali Kumar @ Dali Bin Sardar is the Director in Lii Hen Industries Berhad and Malaysian General Investment Corporation Berhad and attended six out of seven Board Meetings held in the financial year ended 31 December 2001. He has no family relationship with any other director or major shareholder of the Company. He has never been charged for any offence within the past 10 years and has no conflict of interest with the Company.

Leow Bock Lim

(Director and member of Audit Committee, Remuneration Committee and Nomination Committee)

59 years of age

Malaysian

Director, holding a non-executive and independent position since 29 June 2001. He is an associate of The Institute of Chartered Secretaries and Administrators and an associate of the Institute of Canadian Bankers. He is a retired banker who has had over 35 years of working experience in various local and foreign banks. He began his banking career with the OCBC Bank in 1960. In 1962, he left to join United Malayan Banking Corporation Berhad as an operations officer. Between 1966 and 1970, he held various operational and treasury positions in The Chase Manhattan Bank. In 1971 and 1972, he served as the chief operating officer of the Oriental Bank Berhad. Between 1973 and 1977, he was the treasury head of The Bank of Nova Scotia. He joined the Security Pacific Asian Bank in 1978 and was its country head for 12 years. In 1994 he joined Alliance Bank Berhad as its Senior Vice President and served as its head of treasury and international banking prior to his retirement in 2000.

Mr. Leow Bock Lim is the Director in Disccomp Berhad and Kumpulan Belton Berhad and attended three out of seven* Board Meetings held in the financial year ended 31 December 2001. He has no family relationship with any other director or major shareholder of the Company. He has never been charged for any offence within the past 10 years and has no conflict of interest with the Company.

* Attended three out of three meetings since date of appointment.

Audit Committee Report

Membership

The present members of the Audit Committee comprise:

Name	Designation
Mr. Tai Keat Chai (Chairman)	Independent Non-Executive Director
Mr. Lim Loong Heng	Deputy Managing Director
Encik Dali Kumar @ Dali bin Sardar	Independent Non-Executive Director
Mr. Leow Bock Lim	Independent Non-Executive Director

Terms of reference

The terms of reference of the Committee are detailed in this annual report under the heading of "Terms of reference of the Audit Committee", and were revised to conform to the Listing Requirements of the Kuala Lumpur Stock Exchange.

Meetings and attendance

During the year ended 31 December 2001, the Committee held 7 meetings, which were appropriately structured through the use of agendas, and the attendance details of the members were as follows:

Name	No. of meetings attended
Mr. Tai Keat Chai	3*
Mr. Lim Loong Heng	7
Encik Dali Kumar @ Dali bin Sardar	7
Mr. Leow Bock Lim	3*

* Mr. Tai and Mr. Leow were appointed to the Board of Director on 29 June 2001, and attended all the meetings since then.

The Company Secretary and the Finance General Manager were also present by invitation at all the meetings, whilst the internal and external auditors also attended when invited to do so.

Summary of activities

The main activities undertaken by the Committee during the year included the following:

- reviewed the quarterly reports of the Company prior to their submission to the Board and public release;
- reviewed the audited financial statements of the Company prior to their submission to the Board for its consideration and approval;
- reviewed the external auditor's scope of work and audit plans for the year;
- reviewed with the external auditors the results of the audit, the audit report and the management letter, including management's response;
- evaluated and recommended the outsourcing of the internal audit function; and
- evaluated and recommended the re-appointment of the external auditor.

Internal audit function

During the year, the Company outsourced its internal audit functions to a professional services firm, which is tasked with the aim of assisting the Committee to discharge its duties and responsibilities.

Subsequent to its appointment, the firm has conducted a review of the organization systems, structure and operations of some of the companies in the Group in order to make a preliminary evaluation of the adequacy and effectiveness of the system of internal control.

Terms of Reference of the Audit Committee

Objectives

The primary objectives of the Audit Committee include the following:

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

Membership

The Committee shall be appointed by the Board from amongst its members and shall consist of no fewer than three members, none of whom shall be alternate directors.

The majority of the members, including the Chairman of the Committee, shall be independent directors.

At least one member shall be a member of the Malaysian Institute of Accountants or a person approved under subparagraph 15.10 (1)(c)(ii) of the KLSE Listing Requirements.

Any vacancy resulting in the non-compliance of subparagraph 15.10(1) of the KLSE Listing Requirements shall be filled within three months, and the Board shall review the term of office and performance of the Committee and each of its members at least once every three years to determine whether they have carried out their duties in accordance with their terms of reference.

Authority

The Committee shall have the authority to investigate any matter within its terms of reference, and the resources required to perform its duties.

It shall also have full and unrestricted access to any information pertaining to the Company, and have direct communication channels with the external and internal auditors.

The Committee should be able to obtain independent professional or other advice, and be able to convene meetings with the external auditor, excluding the attendance of its executive members, whenever deemed necessary.

Meetings

The Committee shall meet at least four times a year, and as many times as it deems necessary.

The majority of members present shall be independent directors in order to form a quorum.

The Company Secretary of the Company shall act as the Secretary of the Committee, and shall draw up an agenda for circulation together with the relevant support papers at least one week prior to each meeting to the members.

The Company Secretary shall also be responsible for keeping the minutes of the meetings, which shall be circulated to the members of the Board as well.

The Committee shall meet at least once a year with the management and the internal and external auditors in separate sessions without the presence of any executive Board member.

Terms of Reference of the Audit Committee (cont'd)

Functions

The functions of the Committee include the following:

1. To review, and report the same to the Board:
 - a) with the external auditor, the nature and scope of its audit plan, its evaluation of the system of internal controls and its audit report;
 - b) the assistance given by the Company's employees to the external auditor;
 - c) the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
 - d) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - e) the quarterly results and year-end financial statement prior to the approval by the Board, focusing on:
 - i) changes in or implementation of major accounting policy changes;
 - ii) significant and unusual events; and
 - iii) compliance with accounting standards and other legal requirements;
 - f) any problems or reservations arising from the interim and final audits, and any matter which the external auditor may wish to discuss (in the absence of management where necessary);
 - g) the external auditor's management letter, and management's response;
 - h) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity; and
 - i) the appointment of the external auditor, its audit fee and any questions of its dismissal or resignation.
2. To recommend the nomination of the external auditor.
3. To consider other matters as defined by the Board.

CEO/Group Managing Director's Statement



Dato' Patrick Lim Khoon Heng
(CEO/Group Managing Director)

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Accounts of the Group and Company of Chuan Huat Resources Berhad for the year ended 31 December 2001.

FINANCIAL OVERVIEW

Despite the slowdown in the overall business environment for the year ended 2001, the Group achieved a profit after tax and minority interest of RM3.21 million as compared to RM3.62 million in the previous year. However, the Group still registered a 25% increase in turnover to RM356 million as compared to the preceding year. The increase in the turnover was mainly attributed to the opening of more branches throughout the country and additional product range. The lower profit figure was due mainly to the stiff competition in the selling price, for the construction steel bars market.

REVIEW OF OPERATION

Steel and Building Material Division

Four more outstation branches were opened in Ipoh, Kuala Terengganu, Kota Bharu and Kuantan to capture a bigger market share. Other building materials products such as ceramic tiles, sanitary wares, iron-mongery and some imported items were added on to the product list to enhance the division as a leading supplier of steel and building material in Malaysia.

IT (Information Technology) Division

In order to capture a larger share of the domestic IT's market, 4 more retail outlets were opened in the Klang Valley and 2 distribution office were opened, one in East Malaysia and the other in Johor Bahru.

This division also started the manufacturing of compatible ink products which will be aggressively marketed in the local market as well as the export and OEM market.

CORPORATE DEVELOPMENT

In July 2001, the company implemented the Employee Share Option Scheme (ESOS) with a total number of 3,181,000 shares at an exercise price of RM1.23 per share. As at 31 December 2001, a total of 180,000 (5.66%) shares were exercised by the eligible employees. The company obtained the approval from MESDAQ on the 10 August 2001 to list its subsidiary, Disccomp Berhad and on 31 January 2002, was successfully listed.

PROSPECTS

With the impending growth for the building and construction sectors in the country, the Group is adopting a positive outlook as the demand for steel and building materials will be increased accordingly. The measures and implementation of various infrastructure development projects by the Government to stimulate the local economy is also expected to augur well for the Group. Barring any unforeseen circumstances, the Group is confident and committed to ensure a greater return to shareholders for year 2002.

DIVIDEND

The board is pleased to recommend a first and final tax-exempt dividend of 2% subject to shareholder's approval at the forthcoming Annual General Meeting on 5 June 2002.

BOARD OF DIRECTORS

Mr. Lim Kim Chuan, the Chairman and founder of the Group, En. Tengku Yunus Kamaruddin and Ms. Low Beng Choo, had resigned as directors during the year. The Board would like to record its appreciation and gratitude to them for their invaluable contribution to the Board during their tenure as directors.

The Board welcomes the appointment of Mr. Wong Kon Fatt, Mr. Tai Keat Chai and Mr. Leow Bock Lim.

ACKNOWLEDGEMENT AND APPRECIATION

On behalf of the Board, I would like to extend our sincere appreciation to all our staff for their contribution and continued effort to the Company. I would also like to take this opportunity to record our appreciation to our shareholders and customers for their continuous support.

Dato' Patrick Lim Khoon Heng
CEO/Group Managing Director

Note: In the absence of the yet to be appointed Chairman, left vacant vide the resignation of Mr. Lim Kim Chuan, a statement by the CEO/Group Managing Director, Dato' Lim Khoon Heng was provided in lieu.

Corporate Governance Statement

The Board of Directors of Chuan Huat Resources Berhad ("Board") is fully committed to the maintenance of high standards of corporate governance by supporting and implementing the prescriptions of the principles and best practices set out in Parts 1 and 2 of the Malaysian Code on Corporate Governance (Code) respectively.

The Board has directed and managed the business and affairs of the Group towards enhancing business prosperity and corporate accountability with the ultimate objective of realising long term shareholders' values whilst taking into account the interests of other stakeholders.

The Board is pleased to provide the following statements, which outlines the main corporate governance practices that were in place throughout the financial year unless otherwise stated.

Compliance statement

The Group has complied throughout the year ended 31 December 2001 with all the best practices of corporate governance set out in Part 2 of the Code except for the following:

- The Nomination Committee and Remuneration Committee were both established on 22 August 2001;
- Appointment of Senior Independent Non-Executive Director on 27 November 2001.

The Group has not complied with the best practices of the Code set out in the schedule below throughout the year. The reasons for such non-compliance are specified.

Best practice provision	Details	Reasons
AAXIII	Each new recruit to the Board should be provided with an orientation and education programme.	The Group does not have a formal training programme for its new Directors as it is the Group's policy to appoint to the Board individuals of sufficient calibre and experience to carry out the necessary duties of a Director. The Board is mindful of the Code of best practice in this regard and will review the necessity for formal training from time to time.
AAll	There should be a clearly accepted division of responsibilities at the head of the company between Chairman and Chief Executive Officer, which will ensure a balance of power and authority, such that no one individual has unfettered powers of decision.	The Group currently does not have a Chairman since the resignation of former Chairman on 29 June 2001. The Board is mindful of the Code of best practice in this regard and will fill the vacancy in due course.
AAI	Identifying principal risks and ensure the implementation of appropriate systems to manage these risks.	The Board is aware of the code of best practice in this regard and is underway to formalise enterprise risk management framework and will implement across the Group in stages.

Corporate Governance Statement (cont'd)

Principles statements

The following statement sets out how the Group has applied the principles in Part 1 of the Code. The principles are dealt with under the following headings: (A) Board of Directors, (B) Directors' remuneration, (C) Shareholders and (D) Accountability and Audit.

A. Board Of Directors

(a) Board responsibilities

The Group is controlled and led by a dynamic Board. It has a balanced board composition with effective independent directors. The Board acknowledges the pivotal role played by the Board in the stewardship of its direction and operations, and ultimately the enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

(b) Board meetings

The Board ordinarily meets at least four (4) times a year at quarterly intervals with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings. During the year ended 31 December 2001, the Board met on seven (7) occasions; where it deliberated upon and considered a variety of matters including the Group's financial results, corporate proposals, the business plan and direction of the Group.

The Board receives documents on matters requiring its consideration prior to and in advance of each meeting. The Board papers providing updates on operational, financial and corporate developments as well as minutes of meetings of the Board are circulated prior to the meeting, are comprehensive and encompass both quantitative and qualitative factors so that informed decisions are made. All proceedings from the Board meetings are minuted and signed by the Chairman of the meeting. The Board has full access to senior management and the advice and services of the Company Secretaries, who are responsible for ensuring that Board meeting procedures are followed and that applicable rules and regulations are complied with. In addition, the Directors may also seek independent professional advice, at the Company's expense, if required. The Directors may also consult with the Group Managing Director and other Board members prior to seeking any independent professional advice.

Details of each Director's meeting attendances are as follows:

Name of Director	Designation	Attendance
Lim Kim Chuan *	Chairman	0/5
Dato' Lim Khoo Heng	Managing Director	7/7
Lim Loong Heng	Deputy Managing Director	7/7
Lim Khoo Hock	Executive Director	6/7
Wong Kon Fatt ****	Executive Director	3/3
Hew Kwee Won *	Executive Director	0/5
Dato' Haji Wan Zaki bin Haji Wan Muda	Non-Executive Director	4/7
Tengku Yunus Kamaruddin **	Independent Non-Executive Director	5/5
Dali Kumar @ Dali Bin Sardar	Independent Non-Executive Director	6/7
Low Beng Choo ***	Independent Non-Executive Director	5/5
Tai Keat Chai *****	Independent Non-Executive Director	3/3
Leow Bock Lim *****	Independent Non-Executive Director	3/3

Notes:

* Resigned on 29 June 2001

** Resigned on 11 June 2001

*** Appointed on 12 September 2000 and resigned on 6 June 2001

**** Appointed on 11 June 2001

***** Appointed on 29 June 2001

Corporate Governance Statement (cont'd)

(c) Board balance

As at the date of this statement, the Board consists of eight (8) members; comprising one (1) Managing Director, one (1) Deputy Managing Director, two (2) Executive Directors, one (1) Non-Executive Director and, three (3) Independent Non-Executive Directors. On 27 November 2001, En. Dali Kumar @ Dali Bin Sardar was appointed as the Senior Independent Non-Executive Director to whom all concerns may be conveyed to the Board. A brief profile of each Director is presented in this annual report under heading of "Profile of Directors".

The concept of independence adopted by the Board is in tandem with the definition of an independent Director in Section 1.01 of the Listing Requirements of the Kuala Lumpur Stock Exchange. The key elements for fulfilling the criteria are the appointment of an independent Director who is not a member of management (a non-executive director) and who is free of any relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Group. The Board complied with paragraph 15.02 of the Listing Requirements which requires that at least two (2) directors or one-third of the Board, whichever is the higher, are independent directors.

The Directors, with their different backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in areas such as finance, corporate affairs, marketing and operations. The Executive Directors in particular are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as co-ordinating the development and implementation of business and corporate strategies. The Independent Non-Executive Directors bring to bear objective and independent judgement to the decision making of the Board and provide a capable check and balance for the Executive Directors. The Non-Executive Directors contribute significantly in areas such as policy and strategy, performance monitoring, allocation of resources as well as improving governance and controls. Together with the Executive Directors who have intimate knowledge of the business, the Board is constituted of individuals who are committed to business integrity and professionalism in all its activities. As and when a potential conflict of interest arises, it is a mandatory practice for the Directors concerned to declare their interests and abstain from the deliberation.

There is a clear division of responsibilities at the head of the Group to ensure a balance of authority and power. In the absence of the Group's Chairman who is yet to be appointed as at to-date, the Board and the executive management is currently headed by Group Managing Director, Dato' Lim Khoon Heng and assisted by Group Deputy Managing Director, Mr. Lim Loong Heng.

The role of Chairman and the Group Managing Director are clearly defined with their individual position descriptions. The Chairman is responsible for running the Board and ensures that all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in Board decisions. The Group Managing Director is responsible for the day to day management of the business as well as the implementation of Board's policies and decisions.

The Board is satisfied that the current Board composition fairly reflects the investment of minority shareholders in the Group.

(d) Supply of information

The members of the Board in their individual capacity have full and timely access to information with Board papers distributed in advance of meetings for the discharge of their duties and responsibilities. Prior to the meetings of the Board, Board papers which include the agenda and reports relevant to the issues of the meetings covering the areas of strategic, financial, operational and regulatory compliance matters, were circulated to all the directors. The Board meet, review and approve all corporate announcements, including the announcement of the quarterly financial results, prior to releasing them to the KLSE. Besides direct access to management staff, external professional advisers as well as company secretary are also made available to render their independent views and advice to the Board.

Corporate Governance Statement (cont'd)

(e) Board committee

i. Audit Committee

The Audit Committee of the Board has been in place since 1997. It presently comprises three (3) Independent Non-Executive Directors and one (1) Deputy Managing Director. A brief report on Audit Committee is presented in this annual report under the heading of "Audit Committee Report".

ii. Nomination Committee

The Board has on 22 August 2001 established a Nomination Committee, which comprised the following members:

Name of directors	Designation
Dali Kumar @ Dali Bin Sardar	Chairman, Independent Non-Executive Director
Tai Keat Chai	Independent Non-Executive Director
Leow Bock Lim	Independent Non-Executive Director
Dato' Haji Wan Zaki Bin Haji Wan Muda	Non-Executive Director

The Nomination Committee is empowered by the Board for recommending board appointments and assessment of directors on an on-going basis. The Committee also keeps under review the Board structure, size and composition as well as considering the Board succession planning. There was no meeting conducted during the financial year ended 31 December 2001 as there is currently no necessity to appoint any new members to the Board since the establishment of Nomination Committee. The Board is of the opinion that the present mix of experience and expertise is adequate, optimal and sufficiently capable in overseeing and ensuring that the strategies of the Group are thoroughly deliberated, considered and properly implemented.

(f) Directors' training

The Board through the Nomination Committee ensures that it recruits to the Board only individuals of sufficient calibre, knowledge and experience to fulfil the duties of a director appropriately. There is no formal training programme for directors. However, during the financial year, all directors have attended and successfully completed the Mandatory Accreditation Programme (MAP) conducted by the Research Institute of Investment Analysis Malaysia (RIIAM). The directors will continue to undergo other relevant training programmes to further enhance their skills and knowledge where relevant.

(g) Retirement and Re-election

The Articles of Association provide that at least one-third of the Board, including the Group Managing Director, are subject to retirement by rotation at each Annual General Meeting. The directors to retire in each year are the directors who have been longest in office since their appointment or re-appointment. A retiring director is eligible for re-appointment.

Subject to shareholders' approval in forthcoming Annual General Meeting on Proposed alteration and amendment of the Memorandum and Article of Association in compliance with Listing Requirement, the Article of Association also provides that the Group Managing Director who shall be elected from amongst the Board members shall also retire once at least in each three (3) years and shall be eligible for re-election. These provide an opportunity for the shareholders to renew their mandates. The election of each director is voted on separately. To assist shareholders in their decision, sufficient information such as personal profile, meetings' attendance and the shareholdings in the Company of each director standing for election are furnished in a separate statement accompanying the Notice of the Annual General Meeting.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act 1965.

Corporate Governance Statement (cont'd)

B. Directors' Remuneration

(a) Remuneration Committee

The Board has on 22 August 2001 established a Remuneration Committee, which comprised the following members:

Name of directors	Designation
Dali Kumar @ Dali Bin Sardar	Chairman, Independent Non-Executive Director
Tai Keat Chai	Independent Non-Executive Director
Leow Bock Lim	Independent Non-Executive Director
Dato' Haji Wan Zaki Bin Haji Wan Muda	Non-Executive Director
Dato' Lim Khoon Heng	Managing Director

The remuneration committee is responsible for recommending the remuneration packages of executive directors to the Board. None of the executive directors participated in any way in determining their individual remuneration. The Board as a whole determines the remuneration of non-executive director with individual directors abstaining from decisions in respect of their individual remuneration.

The policy practised on directors' remuneration by the Remuneration Committee is to provide the remuneration packages necessary to attract, retain and motivate directors of the quality required to manage the business of the Group and to align the interest of the directors with those of the shareholders. Information prepared by independent consultants and survey data on the remuneration practices of comparable companies are taken into consideration in determining the remuneration packages.

There was no meeting convened during the financial year ended 31 December 2001 since the establishment of Remuneration Committee.

(b) Details of the directors' remuneration

The aggregate remuneration of directors who served during the financial year ended 31 December 2001 are as follows:

Element of remuneration	Executive Directors	Non-Executive Directors	Total
Salaries & other emoluments	1,291,202	-	1,291,202
Fees	47,000	80,000	127,000
	1,338,202	80,000	1,418,202

The number of directors whose remuneration fall into the respective bands are as follows:

Band of remuneration	Executive Directors	Non-Executive Directors	Total
0 – 50,000	-	6	6
50,000 – 100,000	1	-	1
100,000 – 150,000	1	-	1
150,000 – 200,000	-	-	-
200,000 – 250,000	1	-	1
250,000 – 300,000	2	-	2
300,000 – 350,000	1	-	1

(c) Employees Share Option Scheme (ESOS)

During the financial year ended 31 December 2001, each of the executive directors were granted a maximum allowable entitlement of 500,000 options in accordance with ESOS's Bye-Law approved by authorities and shareholders. All executive directors have yet to exercise their options based on first ESOS allocation as at 31 December 2001. Some salient features regarding the ESOS have been included in the Directors' Report under the heading of "ESOS".

Corporate Governance Statement (cont'd)

C. Shareholders

The Company recognises the importance of communicating with its shareholders and does this through the annual report, Annual General Meeting, Company's website and analyst meetings. The policy of the Company is to maintain an active dialogue with its shareholders with the intention of giving shareholders as clear and complete a picture of the Company's performance and position as possible.

The key elements of the Company's dialogue with its shareholders is the opportunity to gather views of, and answer questions from, both private and institutional shareholders on all issues relevant to the Company at the Annual General Meeting. It has also been the Company's practice to send the Notice of the Annual General Meeting and related papers to shareholders at least fourteen (14) working days before the meeting. At the Annual General Meeting, the shareholders are encouraged to ask questions both about the resolutions being proposed or about the Group's operations in general. Additionally, a press conference is held immediately after the Annual General Meeting where the Group's Managing Director advises the press of the resolutions passed, and answers questions on the Group's operation. The Group Deputy Managing Director and the Executive Directors are also present at the press conference to clarify and explain any issue.

The Company also responded to fund managers, institutional investors, investment analysts and members of media upon request, to brief them on key events of the Company. Investors' and analysts' feedback is sought to ensure principal issues are being effectively communicated and shareholders' objectives are known.

D. Accountability And Audit

(a) Financial reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly announcements of results to shareholders as well as the Group's Managing Director statement and review of operations in the annual report. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

(b) Directors' responsibility statement in respect of the preparation of the audited financial statements

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the accounting period and of their profit or loss and cashflows for the period then ended. In preparing the financial statements, the Directors have (1) ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been applied, and (2) selected and applied consistently suitable accounting policies and made reasonable and prudent judgements and estimates.

The directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

(c) Directors' responsibility statement in respect of the State of internal controls

The Board acknowledges its responsibility for the internal control system in the Company and the Group, covering not only financial controls but also controls relating to operational, compliance and risk management. The system of internal control involves each key business unit and its management, including the Board, and is designed to meet the business unit particular need and to manage the risks to which they are exposed. The system, by its nature, can only provide reasonable and not absolute assurance against material misstatement, loss or fraud. The concept of reasonable assurance recognises the costing aspect, whereby the cost of control procedures is not to exceed the expected benefits.

The Board recognises that risks cannot be completely eliminated. As such, the systems, processes and procedures being put in place are aimed at minimising and managing them. On going reviews are continuously carried out to ensure the effectiveness, adequacy and integrity of the system of internal controls in safeguarding the Company's assets.

Corporate Governance Statement (cont'd)

(d) Relationship with the Auditors

The Board has established a formal and transparent relationship with the auditors. The Audit Committee recommends the appointment of the external auditors and their remuneration. The appointment of external auditors is subject to the approval of shareholders in general meeting whilst their remuneration is authorised by shareholders to be fixed by the Board.

Key features underlying the relationship of the Audit Committee with the auditors including the role of both the external and internal auditors are further described in the Audit Committee Report.

A summary activities of the Audit Committee during the year, including the evaluation of the independent audit process, are set out in the Audit Committee Report.

(e) Statement on material contracts involving directors' or major shareholders' interest

There is no material contracts subsisting as at 31 December 2001 or entered into since the end of the previous financial year, by the Company or its subsidiaries, which involved the interests of the Directors or major shareholders other than those disclosed under notes to the account on Related Party Transactions of revenue in nature.

The Company is also seeking shareholders' ratification and mandate on Related Party Transactions of revenue in nature for transactions entered into or to be entered by the Company or its subsidiaries with Related Parties in the forthcoming Annual General Meeting. The details of Related Party Transactions of revenue in nature for transactions entered into or to be entered by the Company or its subsidiaries with Related Parties are included in the Circular.

(f) Non-audit fee

The amount of non-audit fees incurred for the financial year ended 31 December 2001 and paid to external auditors subsequent to 31 December 2001 is RM50,000.

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Directors' Report

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 31 December 2001.

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 subsidiary companies 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 companies acquired during the financial year.

FINANCIAL RESULTS

	GROUP RM	COMPANY RM
Profit after taxation	3,159,867	635,616
Minority interests	53,864	-
Profit after taxation and minority interests	3,213,731	635,616

SHARE CAPITAL

During the financial year, the issued and paid up share capital of the Company was increased from RM40,021,000 to RM40,201,000 by the issue of 180,000 ordinary shares of RM1.00 each pursuant to the exercise of Employees' Share Option Scheme at an option price of RM1.23 per ordinary share.

DIVIDEND

The Directors have recommended a first and final tax exempt dividend of 2 sen per ordinary share for the financial year ended 31 December 2001 amounting to RM804,020 which is subject to the approval of members at the forthcoming Annual General Meeting of the Company.

The Company has paid a first and final tax exempt dividend of 2 sen per ordinary share in respect of the financial year ended 31 December 2000 and included in the previous Directors' Report amounting to RM800,420.

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 (cont'd)

DIRECTORS

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

Dato' Haji Wan Zaki Bin Haji Wan Muda	
Dato' Lim Khoon Heng	
Lim Loong Heng	
Lim Khoon Hock	
Dali Kumar @ Dali Bin Sardar	
Lim Kim Chuan	(Resigned on 29.6.2001)
Tengku Yunus Kamaruddin	(Resigned on 11.6.2001)
Hew Kwee Won (f)	(Resigned on 29.6.2001)
Low Beng Choo (f)	(Resigned on 6.6.2001)
Tai Keat Chai	(Appointed on 29.6.2001)
Wong Kon Fatt	(Appointed on 11.6.2001)
Leow Bock Lim	(Appointed on 29.6.2001)

In accordance with Article 63 of the Company's Articles of Association, Lim Loong Heng and Dato' Haji Wan Zaki Bin Haji Wan Muda retire by rotation, and being eligible, offer themselves for re-election.

Tai Keat Chai, Wong Kon Fatt and Leow Bock Lim retire in accordance with Article 68 of the Company's Articles of Association and, being eligible, offer themselves for re-election.

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 1.1.01	Additions	Disposals	As at 31.12.01
Dato' Haji Wan Zaki Bin Haji Wan Muda	3,835,197	-	-	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
Dali Kumar @ Dali Bin Sardar	120,000	-	-	120,000

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

Directors' Report (cont'd)

EMPLOYEE SHARE OPTION SCHEME

Under the Company's Employees Share Option Scheme ("ESOS") which became effective on 19 July 2001 options to subscribe for unissued new ordinary shares of RM1.23 each in the Company were made available to eligible Directors and employees of the Company and its subsidiary companies.

The main features of the ESOS were as follows:

- (I) The total number of shares which may be made available shall not exceed ten percent (10%) of the issued and paid up share capital of the Company at any point of time during the exercise of the Scheme.
- (II) Eligible persons are confirmed Malaysian employees including full-time executive directors of the Group who have been employed for at least 12 full months of continuous service, including service during the probation period and whose employment has been confirmed in writing prior to the date of offer, and for at least 2 years of continuous service and current employment contract should be not less than 1 year before the date of offer for Non-Malaysian employees.
- (III) The actual entitlement of eligible employees shall essentially be based on the length of service and seniority of job position and shall not less than 1,000 shares nor more than their maximum allowable allotment and shall always be in multiples of 1,000 shares.
- (IV) The option price subscribe for shares under the ESOS shall be the higher of :
 - the weighted average market price of the Shares for the five (5) market days immediately preceding the Date of Offer, subject to a discount of not more than ten percent (10%) which the Company may at its discretion decide to give; or
 - the par value of the shares.

The movements of number of options granted and exercised pursuant to the ESOS during the financial year are as follows:

Granted on	Subscription price per share	Balance as at 19.7.2001	Granted	Exercised	Lapsed	No. of shares unissued as at 31.12.2001
19.7.2001	RM1.23	3,181,000	3,181,000	180,000	-	3,001,000

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 values 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

Directors' Report (cont'd)

OTHER STATUTORY INFORMATION (CONT'D)

- (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.

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: 30 April 2002

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 30 to 59 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 31 December 2001 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: 30 April 2002

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 30 to 59 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

LIM LOONG HENG

Before me
CHAN LEONG CHOI
No. W309

Commissioner for Oaths

Kuala Lumpur
Date: 30 April 2002

Report Of The Auditors

to the members of Chuan Huat Resources Berhad

We have audited the financial statements set out on pages 30 to 59. 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 misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An 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 have been prepared 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 31 December 2001 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' reports 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
Chartered Accountants

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588/02/03(J)
Partner of the Firm

Kuala Lumpur
Date: 30 April 2002

Balance Sheets

as at 31 December 2001

	Note	GROUP		COMPANY	
		2001 RM	2000 RM	2001 RM	2000 RM
PROPERTY, PLANT AND EQUIPMENT	2	53,153,857	56,976,781	1,575	2,025
INVESTMENT PROPERTIES	3	8,216,650	8,544,630	-	-
SUBSIDIARY COMPANIES	4	-	-	43,743,927	43,743,927
ASSOCIATED COMPANY	5	2,440,718	2,374,155	-	-
INVESTMENTS	6	3,921,079	4,122,914	-	-
INTANGIBLE ASSETS	7	375,791	202,750	-	-
CURRENT ASSETS					
Inventories	8	27,142,520	26,846,722	-	-
Trade receivables	9	127,591,980	93,623,467	-	-
Other receivables, deposits and prepayments	10	4,897,589	4,795,020	4,688	3,792
Tax recoverable		92,080	84,000	-	-
Amount due from subsidiary companies		-	-	14,048,100	14,078,520
Fixed deposit with a licensed bank		125,000	20,000	-	-
Cash and bank balances		8,925,508	5,669,030	231,849	122,612
		168,774,677	131,038,239	14,284,637	14,204,924
CURRENT LIABILITIES					
Trade payables		31,672,095	19,892,062	-	-
Other payables and accruals	11	6,468,731	7,519,218	74,721	28,830
Hire purchase liabilities	12	578,056	328,162	-	-
Short term borrowings	13	100,692,878	80,748,439	-	-
Tax liabilities		896,520	829,239	-	22,224
Proposed dividend		804,020	800,420	804,020	800,420
		141,112,300	110,117,540	878,741	851,474
NET CURRENT ASSETS		27,662,377	20,920,699	13,405,896	13,353,450
		95,770,472	93,141,929	57,151,398	57,099,402
Financed by:					
SHARE CAPITAL	14	40,201,000	40,021,000	40,201,000	40,021,000
RESERVES	15	42,765,847	40,784,678	16,950,398	17,078,402
SHAREHOLDERS' FUNDS		82,966,847	80,805,678	57,151,398	57,099,402
MINORITY INTERESTS		8,970,416	7,304,561	-	-
DEFERRED PAYABLES	16	670,846	1,608,517	-	-
HIRE PURCHASE LIABILITIES	12	630,043	480,245	-	-
TERM LOANS	17	1,449,827	2,294,538	-	-
DEFERRED TAXATION	18	1,082,493	648,390	-	-
		95,770,472	93,141,929	57,151,398	57,099,402
Net tangible assets per share (RM)		2.05	2.01		

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

Income Statements

for the financial year ended 31 December 2001

		GROUP		COMPANY	
	Note	2001 RM	2000 RM	2001 RM	2000 RM
Revenue	19	355,911,867	285,807,159	800,000	1,349,200
Other operating income		2,411,759	2,476,579	48,177	48,000
Changes in inventories of finished goods and work-in-progress		(593,691)	(594,731)	-	-
Purchases of finished goods		(292,460,539)	(228,765,766)	-	-
Raw materials and consumables used		(27,656,466)	(25,530,061)	-	-
Staff costs		(9,024,380)	(7,357,921)	-	-
Depreciation and amortisation expenses		(5,869,330)	(5,535,106)	(450)	(450)
Other operating expenses		(14,713,516)	(12,258,611)	(228,335)	(235,367)
Profit from operations		8,005,704	8,241,542	619,392	1,161,383
Finance costs	20	(1,896,032)	(2,305,472)	(646)	(489)
Profit before share in results of an associated company		6,109,672	5,936,070	618,746	1,160,894
Share in results of an associated company		129,341	256,941	-	-
Profit before taxation	21	6,239,013	6,193,011	618,746	1,160,894
Taxation	22	(3,079,146)	(1,922,915)	16,870	(400,000)
Profit after taxation		3,159,867	4,270,096	635,616	760,894
Minority interests		53,864	(645,730)	-	-
Profit after taxation and minority interests		3,213,731	3,624,366	635,616	760,894
Basic earnings per share (sen)	23	8.03	9.06		
Fully diluted earnings per share (sen)	23	6.90	7.33		

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

Statement Of Changes In Equity

for the financial year ended 31 December 2001

GROUP	Note	Share capital RM	Reserves (Note 15) RM	Total RM
Balance at 31 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	24	-	(800,506)	(800,506)
Balance at 31 December 2000		40,021,000	40,784,678	80,805,678
Shares issued		180,000	41,400	221,400
Listing expenses		-	(1,000)	(1,000)
Net profit for the financial year		-	3,213,731	3,213,731
Dilution arising from change in equity interest in a subsidiary company		-	(4,247)	(4,247)
Amortisation of reserve on consolidation		-	(495,289)	(495,289)
Reserve on consolidation arising from acquisition of additional equity interest in a subsidiary company		-	30,594	30,594
Dividend	24	-	(804,020)	(804,020)
Balance at 31 December 2001		40,201,000	42,765,847	82,966,847

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

Statement Of Changes In Equity (cont'd)

for the financial year ended 31 December 2001

COMPANY	Note	Share capital RM	Reserves (Note 15) RM	Total RM
Balance at 31 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	24	-	(800,506)	(800,506)
Balance at 31 December 2000		40,021,000	17,078,402	57,099,402
Shares issued		180,000	41,400	221,400
Listing expenses		-	(1,000)	(1,000)
Net profit for the financial year		-	635,616	635,616
Dividend	24	-	(804,020)	(804,020)
Balance at 31 December 2001		40,201,000	16,950,398	57,151,398

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

Cash Flow Statements

for the financial year ended 31 December 2001

GROUP	Note	2001 RM	2000 RM
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		6,239,013	6,193,011
Adjustment for non-cash items and interests	25(a)	10,850,279	9,439,080
Operating profit before working capital changes		17,089,292	15,632,091
(Increase)/Decrease in inventories		(195,707)	550,436
Increase in trade and other receivables		(39,717,429)	(623,641)
Increase/(Decrease) trade and other payables		9,392,139	(5,134,255)
Cash (used in)/generated from operations		(13,431,705)	10,424,631
Tax paid		(1,967,565)	(1,513,798)
Interest paid		(1,728,972)	(2,077,710)
Interest received		23,798	43,595
Net cash (outflow)/inflow from operating activities		(17,104,444)	6,876,718
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	25(b)	(859,120)	(2,863,799)
Purchase of investment properties	25(c)	(25,104)	(2,259,601)
Purchase of investments		(18,000)	(2,691,968)
Proceeds from disposal of property, plant and equipment		125,742	313,040
Purchase of subsidiary companies	26	93,753	(2)
Pre-operating expenses incurred		-	(6,786)
Purchase of additional shares in a subsidiary company		(341,250)	(49,000)
Dividend income from an associated company		33,145	100,800
Proceeds from disposal of investments		224,835	-
Proceeds from disposal of investment properties		2,049,811	1,215,421
Net cash inflow/(outflow) from investing activities		1,283,812	(6,241,895)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of term loans		(2,175,489)	(3,196,439)
Repayment of hire purchase liabilities		(1,151,324)	(288,144)
Net proceeds from short term borrowings		20,809,163	6,918,118
Proceeds from issuance of shares to minority shareholders		2,049,000	673,051
Proceeds from issuance of shares		221,400	22,000
Dividend paid to minority shareholders		(235,274)	(21,600)
Dividend paid		(800,420)	(288,079)
Payment of listing expenses		(1,000)	-
Net cash inflow from financing activities		18,716,056	3,818,907
Net increase in cash and cash equivalents		2,895,424	4,453,730
Cash and cash equivalents at beginning of the financial year		4,778,877	325,147
Cash and cash equivalents at end of the financial year	25(d)	7,674,301	4,778,877

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

Cash Flow Statements (cont'd)

for the financial year ended 31 December 2001

COMPANY	Note	2001 RM	2000 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		618,746	1,160,894
Adjustment for non-cash items and interests	25(a)	450	105,289
Operating profit before working capital changes		619,196	1,266,183
Increase in other receivables		(1,000)	(377,776)
Increase in other payables		45,891	4,830
Cash generated from operations		664,087	893,237
Tax paid		(5,250)	-
Net cash inflow from operating activities		658,837	893,237
CASH FLOWS FROM INVESTING ACTIVITY			
Decrease/(Increase) in amount due from subsidiary companies		30,420	(508,921)
Net cash inflow from financing activity		30,420	(508,921)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		221,400	22,000
Payment of listing expenses		(1,000)	-
Dividend paid		(800,420)	(288,079)
Net cash outflow from financing activities		(580,020)	(266,079)
Net increase in cash and cash equivalents		109,237	118,237
Cash and cash equivalents at beginning of the financial year		122,612	4,375
Cash and cash equivalents at end of the financial year	25(d)	231,849	122,612

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

Notes To The Financial Statements

31 December 2001

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention unless otherwise indicated in this summary of significant accounting policies.

The financial statements 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. Subsidiary companies are companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities. The results of subsidiary companies acquired during the financial year are included in the consolidated income statement from the date of acquisition. Subsidiary companies are consolidated using the acquisition method of accounting. 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 in 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.

Notes To The Financial Statements (cont'd)

31 December 2001

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Property, plant and equipment

Land and buildings and other property, plant and equipment 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 property, plant and equipment 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%
Renovation	20%
Furniture and equipment	10%

(g) Licence fees

Licence fees is stated at cost net of amortisation. Licence fees is amortised using the straight line method over a period not exceeding 10 years upon commencement of operations or commercial production.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. 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 inventories 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. Inventory of completed properties is stated at the lower of cost and net realisable value and is determined using the specific identification method.

(i) Hire purchase

Property, plant and equipment acquired under hire purchase are capitalised and depreciated in accordance with the depreciation policy set out in Note 1(f) above. The corresponding outstanding obligations due under hire purchase after deducting finance charges are included as liabilities in the financial statements. Finance charges are allocated to the income statements over the periods of the respective agreements.

(j) Receivables

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.

Notes To The Financial Statements (cont'd)

31 December 2001

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Revenue recognition

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

Rental income is recognised on an accrual basis in accordance with the substance of the rental agreement.

Dividend income is recognised when the shareholders' right to receive payment is 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. Monetary 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	31.12.2001 RM	31.12.2000 RM
1 USD	3.800	3.788
1 SGD	2.073	2.182
1 AUD	1.942	2.111

(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.

2. PROPERTY, PLANT AND EQUIPMENT

GROUP	Land and buildings RM	Plant, machinery, cabin, renovation and motor vehicles RM	Furniture and fittings, and office equipment RM	Capital work-in- progress RM	Total RM
NET BOOK VALUE					
at 1 January 2001	33,358,589	21,123,558	1,784,536	710,098	56,976,781
Addition through acquisition of a subsidiary company	-	46,048	29,554	-	75,602
Additions	20,357	1,889,701	366,580	249,430	2,526,068
Reclassification	-	142,012	(142,012)	-	-
Disposals	-	(61,151)	(23,160)	-	(84,311)
Written off	-	(37)	(3,138)	-	(3,175)
Depreciation charge for the financial year	(730,081)	(5,273,185)	(333,842)	-	(6,337,108)
NET BOOK VALUE					
at 31 December 2001	32,648,865	17,866,946	1,678,518	959,528	53,153,857

Notes To The Financial Statements (cont'd)

31 December 2001

2. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

GROUP	Land and buildings RM	Plant, machinery, cabin, renovation and motor vehicles RM	Furniture and fittings, and office equipment RM	Capital work-in- progress RM	Total RM
At 31 December 2000					
Cost	36,135,829	46,162,998	3,569,403	710,098	86,578,328
Accumulated depreciation	(2,777,240)	(25,039,440)	(1,784,867)	-	(29,601,547)
Net book value	33,358,589	21,123,558	1,784,536	710,098	56,976,781
At 31 December 2001					
Cost	36,156,186	46,751,494	3,380,265	959,528	87,247,473
Accumulated depreciation	(3,507,321)	(28,884,548)	(1,701,747)	-	(34,093,616)
Net book value	32,648,865	17,866,946	1,678,518	959,528	53,153,857

(a) Included in net book value above are assets acquired under hire purchase:

NET BOOK VALUE					
AT 31 December 2001	-	1,824,048	-	-	1,824,048
AT 31 December 2000	-	1,246,060	-	-	1,246,060

(b) Analysis of land and buildings as follows:

GROUP	Freehold land and buildings RM	Long leasehold land and buildings RM	Short leasehold land and buildings RM	Buildings RM	Total RM
NET BOOK VALUE					
at 1 January 2001	7,083,794	19,207,493	5,863,205	1,204,097	33,358,589
Additions	-	20,357	-	-	20,357
Depreciation charge for the financial year	(14,743)	(301,825)	(386,972)	(26,541)	(730,081)
NET BOOK VALUE at 31 December 2001	7,069,051	18,926,025	5,476,233	1,177,556	32,648,865

Notes To The Financial Statements (cont'd)

31 December 2001

2. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land and buildings RM	Long leasehold land and buildings RM	Short leasehold land and buildings RM	Buildings RM	Total RM
At 31 December 2000					
Cost	7,142,600	20,285,303	7,380,890	1,327,036	36,135,829
Accumulated depreciation	(58,806)	(1,077,810)	(1,517,685)	(122,939)	(2,777,240)
Net book value	7,083,794	19,207,493	5,863,205	1,204,097	33,358,589
At 31 December 2001					
Cost	7,142,600	20,305,660	7,380,891	1,327,036	36,156,187
Accumulated depreciation	(73,549)	(1,379,635)	(1,904,658)	(149,480)	(3,507,322)
Net book value	7,069,051	18,926,025	5,476,233	1,177,556	32,648,865

- (c) Certain landed properties with carrying values totalling RM19,682,881 (2000: RM17,336,756) 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 31 December 2001.
- (e) The addition to capital work-in-progress of the Group includes term loan interest capitalised amounting to RM11,392.

COMPANY	Office equipment RM
NET BOOK VALUE at 1 January 2001	2,025
Addition	-
Disposal	-
Depreciation charge for the financial year	(450)
NET BOOK VALUE at 31 December 2001	1,575
At 31 December 2000	
Cost	4,500
Accumulated depreciation	(2,475)
Net book value	2,025
At 31 December 2001	
Cost	4,500
Accumulated depreciation	(2,925)
Net book value	1,575

Notes To The Financial Statements (cont'd)

31 December 2001

3. INVESTMENT PROPERTIES

	GROUP	
	2001 RM	2000 RM
At cost:		
Freehold land and buildings	6,112,822	6,174,084
Leasehold land and buildings	2,103,828	2,370,546
	8,216,650	8,544,630

The issuance of title deeds of certain investment properties of subsidiary companies are pending from relevant authorities as at 31 December 2001.

Investment properties of the Group with carrying value of RM1,006,682 (2000:RM1,407,127) have been pledged to financial institutions for credit facilities granted to certain subsidiary companies.

4. SUBSIDIARY COMPANIES

	COMPANY	
	2001 RM	2000 RM
Unquoted shares at cost	43,743,927	43,743,927

The subsidiary companies are as follows:

Name of Company	Country of Incorporation	Holding in Equity		Principal Activities
		2001 %	2000 %	
Chuan Huat Hardware Holdings Sdn Bhd	Malaysia	100	100	Investment holding
Chuan Huat Hardware (Sdn) Berhad	Malaysia	100	100	Hardware merchant
Disccomp Berhad	Malaysia	# 95.3	# 95.3	Manufacturing and marketing of computer diskettes
CH Steel Wire Products Sdn Bhd	Malaysia	# 65.2	# 65.2	Processing and trading of steel wireproducts
SC Multimedia Technology Sdn Bhd	Malaysia	# 100	# 100	Computer merchants and retailers
CH Reinforcing Steel (M) Sdn Bhd	Malaysia	# 100	# 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

Notes To The Financial Statements (cont'd)

31 December 2001

4. SUBSIDIARY COMPANIES (CONT'D)

Name of Company	Country of Incorporation	Holding in Equity		Principal Activities
		2001 %	2000 %	
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 Office Supplies Sdn Bhd (formerly known as Interactive Publication Sdn Bhd)	Malaysia	# 100	# 100	Multimedia publication services and retailing in computer and related accessories
Vibrant Innovations Sdn Bhd	Malaysia	# 67	# 67	Dormant
Triumph Consolidated Sdn Bhd	Malaysia	# 100	# 93.75	Steel service centre
Chuan Huat Industrial Marketing Sdn Bhd	Malaysia	# 100	# 100	Hardware dealers and marketing
CHRB Selatan Sdn Bhd	Malaysia	# 80	# 80	Hardware dealers and marketing
CHRB Utara Sdn Bhd	Malaysia	# 97	# 97	Dealing in building materials
Richter Precision (Asia) Sdn Bhd	Malaysia	# 100	# 100	Refurbishing of compact disc mould and mirror
Pineapple Computer Systems Sdn Bhd	Malaysia	# 90	# 90	Retailing in computers and related accessories
Esy Ink Technology Sdn Bhd (formerly known as Pineapple Computer Training Centre Sdn Bhd)	Malaysia	# 100	# 100	Retailing in computers and related accessories
Pineapple Computer (PJ) Sdn Bhd	Malaysia	# 100	# 80	Dormant
Pineapple Computer (Low Yat Plaza) Sdn Bhd	Malaysia	# 100	# 100	Retailing in computers and related accessories
CH-Lion Reinforcing Steel Sdn Bhd	Malaysia	# 80	# 100	Cutting and bending of steel bars
CHRB Corporation Sdn Bhd	Malaysia	# 100	# 100	Investment holding

Notes To The Financial Statements (cont'd)

31 December 2001

4. SUBSIDIARY COMPANIES (CONT'D)

The subsidiary companies acquired during the financial year are as follows:

Name of Company	Country of Incorporation	Holding in Equity %	Principal Activities
CHRB Properties Sdn Bhd (formerly known as Preference Glory Sdn Bhd)	Malaysia	# 100	Trading of properties
CHRB Timuran Sdn Bhd	Malaysia	# 100	Hardware dealers and marketing
SC Multimedia (EM) Sdn Bhd (formerly known as Cheerful Development Sdn Bhd)	Malaysia	# 51	Retailing in computers and related accessories
Pine System Technology Sdn Bhd	Malaysia	# 51	Retailing in computers and related accessories

Holding in equity by subsidiary companies.

5. ASSOCIATED COMPANY

	GROUP	
	2001 RM	2000 RM
Unquoted shares at cost	2,250,000	2,250,000
Share of post-acquisition profits	190,718	124,155
	2,440,718	2,374,155

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

	GROUP	
	2001 RM	2000 RM
Share of net assets	2,428,512	2,361,949
Premium on acquisition	12,206	12,206
	2,440,718	2,374,155

Notes To The Financial Statements (cont'd)

31 December 2001

5. ASSOCIATED COMPANY (CONT'D)

The associated company is as follow:

Name of Company	Country of Incorporation	Holding in Equity		Accounting year end	Principal Activities
		2001 %	2000 %		
Vintage Consolidated Sdn Bhd	Malaysia	# 25	# 25	31 December	Trading, retailing and supplying of all kinds of steel products

#Holding in equity by a subsidiary company.

6. INVESTMENTS

	GROUP	
	2001 RM	2000 RM
Quoted shares in Malaysia at cost	71,100	53,100
Unquoted shares at cost	3,849,979	4,069,814
	3,921,079	4,122,914
Market value of quoted shares	19,325	9,100

7. INTANGIBLE ASSETS

	GROUP	
	2001 RM	2000 RM
Preliminary expenses	6,300	15,020
Pre-operating expenses	3,536	155,891
	9,836	170,911
Accumulated amortisation	-	(51,251)
Amount written off	(9,836)	(112,124)
	-	7,536
Licence fee	136,600	136,600
Accumulated amortisation	(54,624)	(40,968)
	81,976	95,632
Goodwill on consolidation	355,377	147,289
Accumulated amortisation	(61,562)	(47,707)
	293,815	99,582
Total	375,791	202,750

Notes To The Financial Statements (cont'd)

31 December 2001

8. INVENTORIES

	GROUP	
	2001 RM	2000 RM
At cost:		
Raw materials	1,199,450	1,609,961
Finished goods	22,163,532	25,055,325
Work-in-progress	301,374	181,436
Completed properties	1,300,000	-
	24,964,356	26,846,722
At net realisable value:		
Finished goods	2,178,164	-
	27,142,520	26,846,722

The carrying amount of finished goods carried at net realisable value at end of the financial year is RM2,222,615 (2000: RM11,387).

As at 31 December 2001, the strata titles of the completed properties have not been registered in the name of the subsidiary company.

9. TRADE RECEIVABLES

	GROUP	
	2001 RM	2000 RM
Trade receivables	135,701,259	98,540,822
Provision for doubtful debts	(8,109,279)	(4,917,355)
	127,591,980	93,623,467

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Other receivables	2,981,336	2,564,040	-	-
Provision for doubtful debts	(18,971)	(30,473)	-	-
	2,962,365	2,533,567	-	-
Deposits and prepayments	1,935,224	2,261,453	4,688	3,792
	4,897,589	4,795,020	4,688	3,792

Notes To The Financial Statements (cont'd)

31 December 2001

11. OTHER PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Other payables	5,273,694	6,661,344	20,221	7,830
Accruals	1,195,037	857,874	54,500	21,000
	6,468,731	7,519,218	74,721	28,830

Included in other payables of the Group is an amount of RM273,401 (2000: RM50,300), being earnest deposit received for disposal of investment properties of which the sale and purchase agreements are still pending as at the end of the financial year.

12. HIRE PURCHASE LIABILITIES

	GROUP	
	2001 RM	2000 RM
Hire purchase liabilities	1,409,904	955,348
Interest-in-suspense	(201,805)	(146,941)
Portion due within one year	1,208,099	808,407
	(578,056)	(328,162)
Non-current portion	630,043	480,245
The hire purchase liabilities are repayable as follows:		
Within one year	578,056	328,162
From two to five years	630,043	480,245
	1,208,099	808,407

The hire purchase liabilities carry interest rates ranging from 4.3% to 6% per annum.

13. SHORT TERM BORROWINGS

	GROUP	
	2001 RM	2000 RM
Unsecured:		
Bank overdrafts	1,376,207	910,153
Bills payable	97,072,000	77,546,000
Trust receipts	1,283,163	-
Secured:		
Term loans		
- portion repayable within one year (Note 17)	961,508	2,292,286
	100,692,878	80,748,439

The short term borrowings carry interest rates ranging from 0.75% to 2.5% per annum above the respective bank's base lending rate.

Notes To The Financial Statements (cont'd)

31 December 2001

14. SHARE CAPITAL

	GROUP AND COMPANY	
	2001 RM	2000 RM
Authorised: 100,000,000 Ordinary shares of RM1.00 each	100,000,000	100,000,000
Issued and fully paid: Ordinary shares of RM1.00 each		
At 1 January	40,021,000	39,999,000
Issued during the financial year	180,000	22,000
At 31 December	40,201,000	40,021,000

As at 31 December 2001, 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, at the subscription price of RM1.00 per ordinary share, not exercised. These warrant holders may exercise their right at any time not later than 5.00 p.m. on 13 August 2004.

During the financial year, the issued and paid up share capital of the Company was increased from RM40,021,000 to RM40,201,000 by the issue of 180,000 ordinary shares pursuant to the exercise of Employees' Share Option Scheme ("ESOS") at option price of RM1.23 per share.

The ESOS for the eligible Directors and employees of the Group became effective on 19 July 2001 and will expire on 18 July 2006.

The main features of the ESOS are as follows:

- (I) The total number of shares which may be made available shall not exceed ten percent (10%) of the issued and paid up share capital of the Company at any point of time during the exercise of the Scheme.
- (II) Eligible persons are confirmed Malaysian employees including full-time executive directors of the Group who have been employed for at least 12 full months of continuous service, including service during the probation period and whose employment has been confirmed in writing prior to the date of offer, and for at least 2 years of continuous service and current employment contract should be not less than 1 year before the date of offer for Non-Malaysian employees.
- (III) The actual entitlement of eligible employees shall essentially be based on the length of service and seniority of job position and shall not less than 1,000 shares nor more than their maximum allowable allotment and shall always be in multiples of 1,000 shares.
- (IV) The option price subscribe for shares under the ESOS shall be the higher of :
 - the weighted average market price of the Shares for the five (5) market days immediately preceding the Date of Offer, subject to a discount of not more than ten percent (10%) which the Company may at its discretion decide to give; or
 - the par value of the Shares.

The movements of number of options granted and exercised pursuant to the ESOS during the financial year are as follows:

Notes To The Financial Statements (cont'd)

31 December 2001

14. SHARE CAPITAL (CONT'D)

Granted on	Subscription price per share	Balance as at 19.7.2001	Granted	Exercised	Lapsed	No. of shares unissued as at 31.12.2001
19.7.2001	RM1.23	3,181,000	3,181,000	180,000	-	3,001,000

15. RESERVES

GROUP	Non-distributable			Distributable		2001 Total RM	2000 Total RM
	Share Premium RM	Reserve on Consolidation RM	Capital Reserves RM	Retained profit RM			
At 1 January	16,722,712	10,373,826	1,154,920	12,533,220	40,784,678	38,432,566	
Listing expenses	(1,000)	-	-	-	(1,000)	-	
Shares issued	41,400	-	-	-	41,400	-	
Reserve on consolidation arising from acquisition of additional equity interest in a subsidiary company	-	30,594	-	-	30,594	3,887	
Amortisation of reserve on consolidation	-	(495,289)	-	-	(495,289)	(494,203)	
Capital reserve overstated in prior year arising from disposal of a subsidiary company	-	-	-	-	-	(51,678)	
Dilution arising from change in equity interest in a subsidiary company	-	-	-	(4,247)	(4,247)	-	
Net profit for the financial year	-	-	-	3,213,731	3,213,731	3,624,366	
Dividend	-	-	-	(804,020)	(804,020)	(800,506)	

Notes To The Financial Statements (cont'd)

31 December 2001

15. RESERVES (CONT'D)

GROUP	Non-distributable			Distributable	2001 Total RM	2000 Total RM
	Share Premium RM	Reserve on Consolidation RM	Capital reserves RM	Retained profit RM		
Accretion arising from change in equity interest in a subsidiary company	-	-	-	-	-	70,246
Capitalised for bonus issue by a subsidiary company	-	-	12,000,000	(12,000,000)	-	-
At 31 December	16,763,112	9,909,131	13,154,920	2,938,684	42,765,847	40,784,678

COMPANY	Non-distributable	Distributable	2001 Total RM	2000 Total RM
	Share Premium RM	Retained profit RM		
At 1 January	16,722,712	355,690	17,078,402	17,118,014
Listing expenses	(1,000)	-	(1,000)	-
Shares issued	41,400	-	41,400	-
Profit for the financial year	-	635,616	635,616	760,808
Dividend	-	(804,020)	(804,020)	(800,420)
At 31 December	16,763,112	187,286	16,950,398	17,078,402

16. DEFERRED PAYABLES

	GROUP	
	2001 RM	2000 RM
Loan from Lim Kim Chuan & Sons Holding Sdn Bhd - a related party in which certain Directors have interest	-	989,805
Loan from a third party	670,846	618,712
	670,846	1,608,517

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

Notes To The Financial Statements (cont'd)

31 December 2001

17. TERM LOANS

	GROUP	
	2001 RM	2000 RM
Secured:		
Term loans	2,411,335	4,586,824
Portion repayable within one year (Note 13)	(961,508)	(2,292,286)
	1,449,827	2,294,538

The term loans are repayable over the following periods:

	GROUP	
	2001 RM	2000 RM
Within one year	961,508	2,292,286
From two to five years	1,449,827	2,294,538
	2,411,335	4,586,824

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% per annum above the respective bank's base lending rate.

18. DEFERRED TAXATION

	GROUP	
	2001 RM	2000 RM
At beginning of the financial year	648,390	368,390
Net transfer from income statement (Note 22)	434,103	280,000
At end of the financial year	1,082,493	648,390
Amount of timing differences in respect of deferred tax benefits/(deferred tax liabilities) not accounted for:		
- Excess of tax capital allowance over book depreciation of property, plant and equipment	(9,124,000)	(10,575,000)
- Unabsorbed tax losses	3,247,000	2,204,000
- Unabsorbed capital allowances	2,722,000	2,584,000
	(3,155,000)	(5,787,000)
Tax effect of these timing differences	(883,400)	(1,620,360)

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

Notes To The Financial Statements (cont'd)

31 December 2001

19. REVENUE

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Sales of goods	355,627,765	285,419,184	-	-
Rental income	284,102	387,975	-	-
Dividend income from subsidiary companies	-	-	800,000	1,349,200
	355,911,867	285,807,159	800,000	1,349,200

20. FINANCE COSTS

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Interest expenses on:				
- bills payable	1,087,970	1,184,304	-	-
- bank overdrafts	98,469	113,035	-	-
- term loans	285,610	494,249	-	-
- hire purchase	78,326	66,136	-	-
- loan from a Director	52,134	40,000	-	-
- loan from a company in which certain Directors have interest	126,463	160,000	-	-
- others	-	19,986	-	-
Bank charges	167,060	227,762	646	489
	1,896,032	2,305,472	646	489

21. PROFIT BEFORE TAXATION

Profit before taxation is arrived at:

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
After charging:				
Directors' remuneration:				
- fees	127,000	79,000	64,000	16,000
- other emoluments	1,291,202	914,390	-	-
Auditors' remuneration:				
- current year	85,050	80,550	5,000	5,000
- under/(over) provision in prior year	1,195	(2,895)	-	-
Depreciation	6,337,108	6,010,121	450	450
Intangible assets written off	9,836	112,124	-	104,839
Amortisation of:				
- goodwill on consolidation	13,855	5,532	-	-
- intangible assets	13,656	13,656	-	-
Rental of premises	206,653	138,308	-	-
Provision for doubtful debts	3,180,422	1,819,697	-	-

Notes To The Financial Statements (cont'd)

31 December 2001

21. PROFIT BEFORE TAXATION (CONT'D)

Profit before taxation is arrived at:

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
After charging:				
Bad debts written off	224,202	300,000	-	-
Property, plant and equipment written off	3,175	81,945	-	-
Loss on disposal of investment properties	28,912	18,426	-	-
And crediting:				
Rental income from:				
- Directors	9,600	9,600	-	-
- others	781,802	865,228	-	-
Tax exempt dividend income from a subsidiary company	-	-	800,000	-
Gross dividend income from a subsidiary company	-	-	-	1,349,200
Amortisation of reserve on consolidation	495,289	494,203	-	-
Interest income from:				
- fixed deposit	2,488	2,883	-	-
- others	21,310	40,712	-	-
Provision for doubtful debts written back	-	25,737	-	-
Gain on disposal of property, plant and equipment	41,431	179,655	-	-
Management fee from subsidiary companies	-	-	48,000	48,000

22. TAXATION

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Current year provision	4,468,049	2,403,129	-	400,000
Under/(Over) provision in prior years	8,390	(327,718)	(16,870)	-
Recovery of tax deducted at source on dividend received and receivable from a subsidiary company and an associated company	(1,861,029)	(442,876)	-	-
Share in taxation of associated company	29,633	10,380	-	-
Deferred taxation	434,103	280,000	-	-
	3,079,146	1,922,915	(16,870)	400,000

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

Notes To The Financial Statements (cont'd)

31 December 2001

22. TAXATION (CONT'D)

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of dividend out of its retained profit as at 31 December 2001.

The amount is subject to agreement with the tax authorities.

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	
	2001	2000
Net profit attributable to shareholders (RM)	3,213,731	3,624,366
Weighted average number of ordinary shares	40,036,917	40,011,564
Basic earnings per share (sen)	8.03	9.06

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 two categories of dilutive potential ordinary shares which are the warrants granted to warrant holders and ESOS granted to eligible Directors and employees of the Group.

	GROUP	
	2001	2000
Net profit attributable to shareholders (RM)	3,213,731	3,624,366
Weighted average number of ordinary shares:		
- in issue during the financial year	40,036,917	40,011,564
- adjustments for assumed conversion of:		
warrants	5,652,190	9,429,643
ESOS	903,710	-
	46,592,817	49,441,207
Diluted earnings per share (sen)	6.90	7.33

The fully diluted earnings per share is calculated by dividing the group profit after tax and minority interests of RM3,213,731 (2000: RM3,624,366) by the weighted average number of ordinary shares of 46,592,817 (2000: 49,441,207) that include warrants and ESOS that would have been exercised at that date.

Notes To The Financial Statements (cont'd)

31 December 2001

24. DIVIDEND

	GROUP AND COMPANY	
	2001 RM	2000 RM
Proposed first and final tax exempt dividend of 2 sen per ordinary share (2000: 2 sen tax exempt dividend per ordinary share)	804,020	800,420
Underprovision in prior year arising from warrants exercised by warrant holders	-	86
	804,020	800,506

25. CASH FLOW STATEMENTS

a) Adjustment for non-cash items and interests

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Amortisation of goodwill on consolidation	13,855	5,532	-	-
Amortisation of intangible assets	13,656	13,656	-	-
Amortisation of reserve on consolidation	(495,289)	(494,203)	-	-
Bad debts written off	224,202	300,000	-	-
Intangible assets written off	9,836	112,124	-	104,839
Depreciation	6,337,108	6,010,121	450	450
Gain on disposal of property, plant and equipment	(41,431)	(179,655)	-	-
Loss on disposal of investment properties	28,912	18,426	-	-
Interest income	(23,798)	(43,595)	-	-
Interest expenses	1,728,972	2,077,710	-	-
Share in results of an associated company	(129,341)	(256,941)	-	-
Provision for doubtful debts	3,180,422	1,819,697	-	-
Property, plant and equipment written off	3,175	81,945	-	-
Provision for doubtful debts written back	-	(25,737)	-	-
	10,850,279	9,439,080	450	105,289

b) Purchase of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM2,526,068 (2000: RM3,569,587) of which RM1,520,148 (2000: RM705,788) was acquired by means of hire purchase and RM146,800 (2000: Nil) was acquired by means of contra against trade receivables balances. Cash payments of RM859,120 (2000: RM2,863,799) were made to purchase property, plant and equipment.

Notes To The Financial Statements (cont'd)

31 December 2001

25. CASH FLOW STATEMENTS (CONT'D)

c) Purchase of investment properties

During the financial year, the Group acquired investment properties with an aggregate cost of RM1,750,742 (2000: RM2,259,601) of which RM1,725,638 (2000: Nil) was acquired by means of contra against trade receivables balances. Cash payments of RM25,104 (2000: RM2,259,601) was made to purchase investment properties.

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

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Fixed deposit with a licensed bank	125,000	20,000	-	-
Cash and bank balances	8,925,508	5,669,030	231,849	122,612
Bank overdrafts	(1,376,207)	(910,153)	-	-
	7,674,301	4,778,877	231,849	122,612

26. SUMMARY OF EFFECTS ON ACQUISITION OF SUBSIDIARY COMPANIES

a) Net assets acquired

	GROUP	
	2001 RM	2000 RM
Property, plant and equipment	75,602	-
Investment	5,000	-
Inventories	100,091	-
Trade and other receivables	242,484	-
Intangible assets	2,300	2,400
Cash and bank balances	246,759	-
Trade and other payables	(399,736)	(2,398)
Hire purchase liabilities	(30,868)	-
Tax liabilities	(13,030)	-
Minority interests	(106,830)	-
Net assets acquired	121,772	2
Goodwill	31,234	-
Purchase consideration	153,006	2
Cash and bank balances acquired	(246,759)	-
Cash flows on acquisition net of cash and bank balances acquired	(93,753)	2

Notes To The Financial Statements (cont'd)

31 December 2001

26. SUMMARY OF EFFECTS ON ACQUISITION OF SUBSIDIARY COMPANIES (CONT'D)

- b) The effect of the acquisition of subsidiary companies on the financial results of the Group during the financial year are as follows:

	2001 RM	2000 RM
Revenue	13,029,684	-
Other operating income	56,024	-
Changes in inventories of finished goods and work-in-progress	118,335	-
Purchases of finished goods	(12,238,321)	-
Staff costs	(289,523)	(60,008)
Depreciation and amortisation expenses	(39,636)	-
Other operating expenses	(383,154)	(11,577)
Profit/(Loss) from operations	253,409	(71,585)
Finance costs	(31,465)	(9)
Profit/(Loss) before taxation	221,944	(71,594)
Taxation	(84,540)	(2,840)
Profit/(Loss) after taxation	137,404	(74,434)

- c) The effect of the acquisition of subsidiary companies on the financial position of the Group at the financial year end are as follows:

	2001 RM	2000 RM
Property, plant and equipment	316,717	-
Investment	5,000	-
Inventories	1,485,442	-
Trade and other receivables	3,258,706	1,260
Cash and bank balances	920,514	20,651
Trade and other payables	(3,709,142)	(12,708)
Tax liabilities	(58,892)	(2,840)
Hire purchase liabilities	(77,872)	-
Deferred taxation	(5,000)	-
Increase in Group's net assets	2,135,473	6,363

27. 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.

Notes To The Financial Statements (cont'd)

31 December 2001

27. RELATED PARTY TRANSACTIONS (CONT'D)

The significant related party transactions are as follows:

a) Sale of goods

	GROUP	
	2001 RM	2000 RM
Other related parties		
- Ahmad Zaki Sdn Bhd	16,304,459	808,833
- AZSB Industrial Marketing Sdn Bhd	-	5,226,184
- Basic Electronic (S) Pte Ltd	1,717,112	4,490,678
- Basic Electronic (M) Sdn Bhd	978,550	-
- Pineapple Computer Sales & Service Sdn Bhd	118,763	63,853
	19,118,884	10,589,548

b) Purchase of goods

	GROUP	
	2001 RM	2000 RM
Other related parties		
- Vintage Consolidated Sdn Bhd	-	2,368,051
- Basic Electronic (S) Pte Ltd	1,543,083	1,587,307
- Basic Electronic (M) Sdn Bhd	2,340	-
- Pineapple Computer Sales & Service Sdn Bhd	7,576	1,273,603
	1,552,999	5,228,961

Ahmad Zaki Sdn Bhd and AZSB Industrial Marketing Sdn Bhd are companies in which, Dato' Wan Zaki bin 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 and Basic Electronic (M) Sdn Bhd.

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.

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 (cont'd)

31 December 2001

28. CAPITAL COMMITMENTS

The Group has commitments as follows:

	GROUP	
	2001 RM	2000 RM
Capital expenditure approved and contracted for	684,590	639,090

29. CONTINGENT LIABILITIES

	COMPANY	
	2001 RM	2000 RM
Unsecured:		
Guarantees in respect of banking facilities granted to subsidiary companies	107,600,000	88,350,000
Corporate guarantees given to suppliers for supply of goods to subsidiary companies	5,300,000	-

30. SEGMENTAL ANALYSIS

	Revenue RM	Profit RM	Total Assets Employed RM
2001			
Trading in hardware and building materials	310,029,391	4,011,771	169,412,272
Manufacturing and trading of information technology related products	45,598,374	3,430,390	39,596,097
Investment holding	284,102	(1,813,893)	27,874,403
	<u>355,911,867</u>	<u>5,628,268</u>	<u>236,882,772</u>
Share in results of an associated company		129,341	
Non-segment activities		481,404	
		<u>6,239,013</u>	
2000			
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
	<u>285,807,159</u>	<u>5,441,867</u>	<u>203,259,469</u>
Share in results of an associated company		256,941	
Non-segment activities		494,203	
		<u>6,193,011</u>	

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

Notes To The Financial Statements (cont'd)

31 December 2001

31. 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 both located at Wisma Lim Kim Chuan, Lot 50A, Section 92A, 3½ Miles, Off Jalan Sungei Besi, 57100 Kuala Lumpur.

- c. Staff numbers

	GROUP		COMPANY	
	2001	2000	2001	2000
Total number of employees, including directors, employed by the Group and the Company as at end of the financial year	434	354	8	9

32. SUBSEQUENT EVENT

On 31 January 2002, Disccomp Berhad, a subsidiary company was listed on the Malaysian Exchange of Securities Dealing and Quotation Berhad ("MESDAQ") after obtaining approvals from the Securities Commission, MESDAQ and the shareholders of the Company.

33. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current financial year's presentation which include mainly:

- (i) The amount due from subsidiary companies has been reclassified and included under current assets to conform with the requirement of MASB 1 - Presentation of Financial Statements.
- (ii) The presentation of property, plant and equipment in Note 2 has been changed to conform with the requirement of MASB 15 - Property, Plant and Equipment.
- (iii) The comparative figure for tax recoverable in other receivables has been shown on the face of the balance sheet to conform with the requirement of MASB 1- Presentation of Financial Statements.
- (iv) The restatement of inventories in Note 8 to show separately the amount stated at net realisable value in compliance with MASB 2 - Inventories.
- (v) The presentation of hire purchase liabilities in Note 12 has been changed to conform with the requirement of MASB 10 - Leases.
- (vi) The presentation of deferred taxation in Note 18 has been changed to conform with the requirement of MASB 18 - Income Taxes.

Analysis By Size of Shareholdings

as at 10 April 2002

Size of Shareholdings	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Share
Less than 1000	10	0.33	2,311	0.01
1,000 - 10,000	2,905	96.22	5,973,500	14.70
10,001 - 100,000	87	2.88	2,039,844	5.02
100,001 - Less than 5% of issued shares	12	0.40	11,632,263	28.62
5% and above of issued shares	5	0.17	20,998,082	51.66
TOTAL	3,019	100.00	40,646,000	100.00

List of Substantial Shareholders

Name	Holdings	Percentage
DATO' LIM KHOON HENG	4,768,175	11.89
LIM LOONG HENG	4,768,174	11.89
LIM KHOON HOCK	4,768,174	11.89
DATO' HAJI WAN ZAKI BIN HAJI WAN MUDA	3,835,197	9.56
TAN SRI WAN AZMI BIN WAN HAMZAH	2,858,362	7.13

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' Interest As At 21 January 2002

The Directors' interest in the Company and its subsidiaries as at 31 December 2001 as shown in the Directors' Report, remain unchanged as at 21 January 2002

Analysis By Size of Shareholdings (cont'd)

as at 10 April 2002

List of Top 30 Shareholders / Depositors

No.	Name	Number of Shares	Percentage
1.	DATO' LIM KHOON HENG	4,768,175	11.89
2.	LIM LOONG HENG	4,768,174	11.89
3.	LIM KHOON HOCK	4,768,174	11.89
4.	DATO' HAJI WAN ZAKI BIN HAJI WAN MUDA	3,835,197	9.56
5.	TAN SRI WAN AZMI BIN WAN HAMZAH	2,858,362	7.13
6.	W MOHAMED @ NIK AZAM BIN WAN HAMZAH	1,997,360	4.98
7.	LIM KIM CHUAN	1,803,142	4.49
8.	CHEN CHIN SANG	1,798,316	4.48
9.	HEW KWEE WON	1,798,133	4.48
10.	CHONG MOAN LAM @ CHEONG MOON LAM	1,394,500	3.47
11.	MAYBAN SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEOW CHOW KUEN	993,000	2.47
12.	LEMBAGA TABUNG HAJI	600,000	1.49
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	299,500	0.74
16.	LIM KIM CHUAN & SONS HOLDINGS SDN BHD	189,000	0.47
17.	MAYBAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DALI KUMAR @ DALI BIN SARDAR	120,000	0.29
18.	TASEC NOMINEES (ASING) SDN BHD MEESPIERSON ASIA LIMITED FOR SAVERN FINANCE LIMITED	90,000	0.22
19.	CHEN THIAM KWEE @ TAN THIAM KWEE	80,000	0.19
20.	MAYBAN SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SEE CHOK HOCK	70,000	0.17
21.	ANNIE LOO YEAN LAY	60,000	0.14
22.	CITICORP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG WAI LEONG	57,000	0.14
23.	TAN GIM HOE	54,000	0.13
24.	TSAI CHANG, HSIU-HSIANG	50,000	0.12
25.	LEE YOKE WAN	50,000	0.12
26.	MAYBAN SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CANGKAT SAUJANA SDN BHD (REM 868-MARGIN)	48,000	0.11
27.	KHONG TSEE CHONG @ KHONG HOO CHONG	48,000	0.11
28.	LIEW WAI KIAT	40,000	0.09
29.	OOI BIN KEONG	40,000	0.09
30.	WAN POOI LING	39,000	0.09
		33,356,345	83.03

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)	Year of Acquisition
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 / -	844	1997
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 / 10	3,133	1997
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 / 12	5,112	1997
Leasehold industrial land factory cum office block and canteen	P.T.1888, Mukim Setul, District of Seremban, Nilai Industrial Estate, Negeri Sembilan	28,416 / 6,297	Leasehold 99 years expiring in 2091 / 8	7,025	1997
2 Apartments / rented	Units A4-5 & A4-6, Tudor Court Apartment, Taman Rasni Jaya, Ampang	9,920 / 82 per unit	Leasehold 99 years expiring in 2090 / 17	144	1997
Office space / rented	Unit P5.04, 5th Floor, BICMA Building, Lot 2, Jalan 243/51A, Petaling Jaya	4,750 / 89.8	Leasehold 99 years expiring in 2073 / 12	283	1997
2 lots of leasehold industrial land with a factory each / rented	Lot Nos. 3017 & 3018, 64 & 65 Jalan Medan 3, Taman Medan, Petaling Jaya, Selangor	167 / 167 per lot	Leasehold 99 years expiring in 2073 / 12	428	1997
Freehold land with a bungalow house / vacant	No. 17, Jalan Serai Taman Cheras 56100 Kuala Lumpur,	692 / 327	Freehold / 23	488	1997
Freehold land with a bungalow house / rented	No.38, Jalan Bawang Taman Cheras 56100 Kuala Lumpur,	418 / 274	Freehold / 23	412	1997
Freehold land with a bungalow house / rented	No.3, Jalan Badam 6 Taman Cheras 56100 Kuala Lumpur,	515 / 428	Freehold / 23	524	1997
Leasehold industrial land with 2-storey industrial building / rented	No.302A, Jalan Tiga Jalan Chan Sow Lin Kuala Lumpur	4,047 / 2,500	Leasehold 42 years expiring in 2009 / 52	862	1997
Leasehold industrial land used as open warehouse	Lot No.19, Section 92A Town of Kuala Lumpur, Wilayah Persekutuan	2,465 / -	Leasehold 42 years expiring in 2017 / -	457	1997

List of Properties (cont'd)

Description of Properties Properties / Usage	Location	Land Area / Build-Up Area (sq. metre)	Tenure / Approximate Age Of Building (years)	Net Book Value (RM'000)	Year of Acquisition
Leasehold industrial land with factory cum office building / rented	Lot 1566, Mukim of Setul, District of Seremban, Nilai Indutsrial Estate, Negeri Sembilan.	16,820 / 2,358	Leasehold 99 years expiring in 2089 / 13	3,748	1997
Apartment / vacant	P.T.No. 10330, Mukim, And District of Bentung, Pahang.	60 / 60	Freehold / 7	180	1997
Freehold land with double-storey house / vacant	PT No 5590, Desa Anggerik Phase 4 Bandar Baru Nilai Seremban	282.2 / 120.8	Freehold / 6	170	1998
Shoplot 4 $\frac{1}{2}$ storey / rented	34-2 Jalan Wangsa 2/5 Taman Wangsa Permai 52100 Kuala Lumpur	113.5 / 113.5	Leasehold 99 years expiring 2098 / 4	130	1998
Townhouse / vacant	Lot C28-1B 1st Floor, Block C 56 Jalan 1/155A Bukit OUG Kuala Lumpur	110.1 / 110.1	Freehold / 5	218	1998
Freehold land used as open warehouse	Lot 10464, 5th Miles Kg Jawa Off Jalan Bukit Kemuning 41000 Kelang	40,645.82 / -	Freehold / -	5,645	1998
Industrial land / vacant	Plot P204 Bukit Minyak Ind. Area Mukit 13 Central District Pulau Pinang	14,163.99 / -	Leasehold 60 years expiring 2057 / -	1,824	1998
Shoplot 2-storey / vacant	No 66 Jalan SBC 3 Taman Sri Batu Caves 68100 Batu Caves	193.4 / 193.4 per storey	Freehold / 5	458	1998
Apartment / vacant	Unit 12/132 (Gold Mansion) Pangsapuri Pasir Emas Straits Court Melaka	92.2 / 92.2	Freehold / 5	154	1998
Leasehold land / vacant	Lot 6 Jalan 7 Kawasan Perusahaan Foundry dan Kejuruteraan Rasa Hulu Selangor	10,927 / -	Leasehold 99 years expiring 2095 / -	789	1998
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 / 6	751	1998

List of Properties (cont'd)

Description of Properties Properties / Usage	Location	Land Area / Build-Up Area (sq. metre)	Tenure / Approximate Age Of Building (years)	Net Book Value (RM'000)	Year of Acquisition
3 Level of 5 storey shoplot / rented	Block B Unit 11 Level 1, 2 & 4 Krystal Point Commercial Centre Bayan Lepas, Penang	Level 1 88.2 / 88.2 Level 2 & 4 97.5 / 97.5	Freehold / 4	885	1998
Apartment / rented	No 3-14-4 Desa Bistari Phase II Penang	65.1 / 65.1	Freehold / 4	112	1998
Apartment / vacant	Block No N-9-12 Desa Medura Taman Desa Relau 2 Penang	65.1 / 65.1	Freehold / 4	122	1998
Apartment / vacant	No 10 Storey No 10 Block B Suria Mutiara Penang	77.1 / 77.1	Freehold / 4	148	1998
4 $\frac{1}{2}$ storey shopoffice / vacant	53-C, Tingkat 2 Jalan BRP 6/10 Bukit Rahman Putra Seksyen U20, Shah Alam 40160 Selangor	153.3 / 153.3	Freehold / 4	149	1999
Single storey terrance house / vacant	12, Jalan Kenari 12E/8 Lembah Beringin 44110 Kuala Kubu Bahru Selangor	132.8 / 132.8	Freehold / 5	90	1999
Condominium / vacant	30-21-4, Reagon Tower Pandan Height Tmn Pandan Perdana 56100 Kuala Lumpur	199.5 / 199.5	Freehold / 5	264	1999
2 units Condominium / vacant	T1-F & T2-E Kampung Warisan Condo Jalan Jelatek, Ampang Kuala Lumpur	130.4 / 130.4 per unit	Freehold / 6	617	1999
4 storey shopoffice / 1 storey rented & 3 vacant	19, Lorong Tiara 1B Bandar Baru Klang 41150 Klang Klang	306.5 / 306.5 per storey	Leasehold 99 years expiring 2093 / 10	2,300	1999
3 storey shoplot / 1 rented & 2 vacant	60, Jalan Melaka Raya 20 Taman Melaka Raya Melaka	143.1 / 143.1 per storey	Leasehold 99 years expiring 2093 / 2	382	2000
3 storey shoplot / vacant	62, Jalan Melaka Raya 20 Taman Melaka Raya Melaka	143.1 / 143.1 per storey	Leasehold 99 years expiring 2093 / 2	354	2000

List of Properties (cont'd)

Description of Properties Properties / Usage	Location	Land Area / Build-Up Area (sq. metre)	Tenure / Approximate Age Of Building (years)	Net Book Value (RM'000)	Year of Acquisition
Condominium / vacant	B12-1, Eden Fairway Condominium Penang	178.8 / 178.8	Freehold / 3	356	2000
3 storey shoplot / vacant	605, Jalan Haruan 4/8 Oakland Commercial Center 70300 Seremban	92.9 / 92.9 per storey	Freehold / 2	292	2000
3 storey shoplot / vacant	604, Jalan Haruan 4/8 Oakland Commercial Center 70300 Seremban	92.9 / 92.9 per storey	Freehold / 2	292	2000
3 storey shoplot / vacant	603, Jalan Haruan 4/8 Oakland Commercial Center 70300 Seremban	92.9 / 92.9 per storey	Freehold / 2	298	2000
Condominium / vacant	Unit 207, Phase 5 Block MN PD Perdana Condo Resort Off Jalan Pantai 71050 Sirusa, Port Dickson Negeri Sembilan	77.7 / 77.7	Freehold / 1	109	2001
Condominium / vacant	Unit 203, Phase 5 Block MN PD Perdana Condo Resort Off Jalan Pantai 71050 Sirusa, Port Dickson Negeri Sembilan	77.7 / 77.7	Freehold / 1	102	2001
Town house / rented	Lot C27-1B, 1st Floor Block C, 56, Jalan 1/155A Bukit OUG Kuala Lumpur	110.1 / 110.1	Freehold / 1	215	2001
12 storey shop office / vacant	Lot No.D/GL/03A Grood Floor, Kelana Entrepreneurs' Exchange Kelana Jaya	130.1 / 130.1	Leasehold 88 years expiring 2089 / 1	856	2001
12 storey shop office / vacant	Lot No.D/08/012 Eighth Floor, Kelana Entrepreneurs' Exchange Kelana Jaya	115.7 / 115.7	Leasehold 88 years expiring 2089 / 1	444	2001

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CHUAN HUAT RESOURCES BERHAD (290729-W)
(Incorporated in Malaysia)

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 Eighth 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 5 June 2002 at 11.00 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' Haji Wan Zaki Bin Haji Wan Muda		
No. 5	Lim Loong Heng		
No. 6	Wong Kon Fatt		
No. 7	Tai Keat Chai		
No. 8	Leow Bock Lim		
No. 9	Re-appointment of Auditors		
No. 10	Approval for Directors to issue shares pursuant to Section 132D		
No. 11	Approval for publication of annual report in CD-Rom format for year ending 31 December 2002		
No. 12	Ordinary Resolution – Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a revenue of trading nature		
Special Resolution No. 1	Special Resolution – Proposed Amendment to the Memorandum and Articles of Association		

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	
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Signature:
Date :

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 than 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, 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.
5. Any alteration made on this form should be initialed by the person who signs it.

