

THIS ABRIDGED PROSPECTUS (“AP”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold/transferred all your ordinary shares in See Hup Consolidated Berhad (“SHCB”), you should at once hand this AP together with the Notice of Provisional Allotment (“NPA”) and the Rights Subscription Form (“RSF”) to the agent through whom you effected the sale/transfer for onward transmission to the purchaser/transferee. All enquiries concerning the Rights Issues (*as defined herein*) which are the subject of this AP should be addressed to our Share Registrar for the Rights Issues, namely Plantation Agencies Sdn. Berhad.

This AP, together with either the NPA and RSF are only despatched to our Entitled Shareholders (*as defined herein*), who have a registered address in Malaysia in the records of Bursa Malaysia Depository Sdn Bhd (“Bursa Depository”) or who have provided our Share Registrar for the Rights Issues with a registered address in Malaysia in writing not later than 5.00 p.m. on 29 November 2012. The AP, NPA and RSF (collectively referred to as the “Documents”) are not intended to be (and will not be) issued, circulated or distributed, and the Rights Issues will not be made or offered or deemed to be made or offered for purchase or subscription, in any countries or jurisdictions other than Malaysia or to persons who are or may be subject to the laws of any countries or jurisdictions other than the laws of Malaysia. The Rights Issues to which this AP relates are only available to persons receiving the Documents electronically or otherwise within Malaysia. No action has been or will be taken to ensure that the Rights Issues and the Documents comply with the laws of any countries or jurisdictions other than the laws of Malaysia. It shall be the sole responsibility of the Entitled Shareholders and/or their renouneece(s)/transferee(s) (if applicable) who are or may be subject to the laws or jurisdictions of countries other than the laws of Malaysia to consult their legal or other professional advisers as to whether the acceptance or renunciation of all or any part of the Rights Shares (*as defined herein*) and/or Rights ICULS (*as defined herein*) to be issued under the Rights Issues would result in the contravention of any laws of such countries or jurisdictions. Such shareholders should note the additional terms and restrictions as set out in Section 11 of this AP. Neither SHCB, Public Investment Bank Berhad (“PIVB”) nor any other advisers to the Rights Issues shall accept any responsibility or liability in the event that any acceptance or sale/transfer of the provisional allotment of the Rights Shares and/or provisional allotment of the Rights ICULS made by the Entitled Shareholders and/or their renouneece(s)/transferee(s) (if applicable) shall become illegal, unenforceable, voidable or void in any countries or jurisdictions in which the Entitled Shareholders and/or their renouneece(s)/transferee(s) (if applicable) are residents.

A copy of this AP has been registered with the Securities Commission Malaysia (“SC”). A copy of the Documents has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

Our shareholders have approved, amongst others, the Rights Issues at the Extraordinary General Meeting held on 9 November 2012. Bursa Malaysia Securities Berhad (“Bursa Securities”) has also granted its approval for, amongst others, the admission of the Warrants and the ICULS to the Official List of Bursa Securities and the listing of and quotation for the Rights Shares, Warrants, ICULS and the new ordinary shares arising from the full exercise of the Warrants and the full conversion of the ICULS on the Main Market of Bursa Securities on 10 October 2012. However, this is not an indication that Bursa Securities recommends the Rights Issues. The official listing of and quotation for the said securities will commence after, amongst others, receipt of confirmation from Bursa Depository that all the Central Depository System accounts of the Entitled Shareholders and/or their renouneece(s)/transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

The registration of this AP should not be taken to indicate that the SC recommends the Rights Issues or assumes responsibility for the correctness of any statement made or opinion or report expressed in this AP. The SC has not, in any way, considered the merits of the securities being offered for investment. Admission to the Official List of Bursa Securities and the listing of and quotation for the Rights Shares, Warrants, ICULS and the new ordinary shares arising from the full exercise of the Warrants and the full conversion of the ICULS on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issues. You are advised to note that recourse for false and misleading statements or acts made in connection with this AP are directly available through Sections 248, 249 and 357 of the Capital Markets and Services Act, 2007.

Our Directors have seen and approved all the documentation relating to the Rights Issues. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make the statements in the Documents false or misleading.

THERE ARE CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER. PLEASE REFER TO THE “RISK FACTORS” AS SET OUT IN SECTION 7 OF THIS AP.

PIVB, being our Adviser for the Rights Issues, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issues.



SEE HUP CONSOLIDATED BERHAD

(Company No. 391077-V)

(Incorporated in Malaysia under the Companies Act, 1965)

- I. RENOUNCEABLE RIGHTS ISSUE OF UP TO 9,261,520 NEW ORDINARY SHARES OF RM1.00 EACH (“RIGHTS SHARES”) TOGETHER WITH UP TO 18,523,040 FREE WARRANTS (“WARRANTS”) AT AN ISSUE PRICE OF RM1.00 PER RIGHTS SHARE ON THE BASIS OF ONE (1) RIGHTS SHARE TOGETHER WITH TWO (2) FREE WARRANTS FOR EVERY FIVE (5) EXISTING ORDINARY SHARES OF RM1.00 EACH (“SHARES”) HELD AT 5.00 P.M. ON 29 NOVEMBER 2012, BASED ON A MINIMUM SUBSCRIPTION LEVEL OF 1,000,000 RIGHTS SHARES TOGETHER WITH 2,000,000 FREE WARRANTS; AND
- II. RENOUNCEABLE RIGHTS ISSUE OF UP TO RM23,153,800 NOMINAL VALUE OF 5-YEAR, 4.6%, IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (“ICULS”) AT 100% OF ITS NOMINAL VALUE OF RM0.10 EACH (“RIGHTS ICULS”) ON THE BASIS OF RML.00 NOMINAL VALUE OF RIGHTS ICULS FOR EVERY TWO (2) EXISTING SHARES HELD AT 5.00 P.M. ON 29 NOVEMBER 2012, BASED ON A MINIMUM SUBSCRIPTION LEVEL OF RM4,000,000 NOMINAL VALUE OF RIGHTS ICULS.

Adviser



PUBLIC INVESTMENT BANK BERHAD (20027-W)
(A Participating Organisation of Bursa Malaysia Securities Berhad)
(Wholly-Owned Subsidiary of Public Bank Berhad)

Trustee



AmTrustee

AmTrustee Berhad (Company No: 163032-V)

IMPORTANT RELEVANT DATES AND TIME

| | | |
|---|---|---|
| Entitlement date for the Rights Issues | : | Thursday, 29 November 2012 at 5.00 p.m. |
| Last date and time for: | | |
| Sale of provisional allotment of rights for the Rights Issues | : | Thursday, 6 December 2012 at 5.00 p.m. |
| Transfer of provisional allotment of rights for the Rights Issues | : | Tuesday, 11 December 2012 at 4.00 p.m. |
| Acceptance and payment for the Rights Issues | : | Friday, 14 December 2012 at 5.00 p.m.* |
| Excess application and payment for the Rights Issues | : | Friday, 14 December 2012 at 5.00 p.m.* |

* or such later date and time as our Board may decide and announce not less than two (2) Market Days before the stipulated date and time.

This AP is dated 29 November 2012

BURSA SECURITIES HAS APPROVED, AMONGST OTHERS, THE ADMISSION OF THE WARRANTS AND THE ICULS TO THE OFFICIAL LIST OF BURSA SECURITIES AND THE LISTING OF AND QUOTATION FOR THE RIGHTS SHARES, WARRANTS, ICULS AND THE NEW ORDINARY SHARES ARISING FROM THE FULL EXERCISE OF THE WARRANTS AND THE FULL CONVERSION OF THE ICULS ON THE MAIN MARKET OF BURSA SECURITIES AND THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE RIGHTS ISSUES.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THESE DOCUMENTS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS AP.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUES FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CAPITAL MARKETS AND SERVICES ACT, 2007 E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

DEFINITIONS

Except where the context otherwise requires, the following words and abbreviations shall apply throughout this AP and shall have the following meanings:-

| | |
|---------------------|---|
| Act | : Companies Act, 1965 |
| Advance | : Cash advance of RM3,000,000 extended by A1 Cap and received by our Company on 2 October 2012. The advance shall be utilised to set-off against the 3,000,000 Placement Shares with 6,000,000 free Warrants to be issued to A1 Cap pursuant to the Private Placement of Shares with Warrants |
| Adviser or PIVB | : Public Investment Bank Berhad (20027-W) |
| A1 Cap | : A1 Capital Sdn Bhd (744921-V) |
| AP | : This abridged prospectus dated 29 November 2012 |
| BNM | : Bank Negara Malaysia |
| Board | : Board of Directors of SHCB |
| Bursa Depository | : Bursa Malaysia Depository Sdn Bhd (165570-W) |
| Bursa Securities | : Bursa Malaysia Securities Berhad (635998-W) |
| BCD | : The books closure date as at 29 November 2012 |
| CDS | : Central Depository System |
| CMSA | : Capital Markets and Services Act 2007 |
| Code | : Malaysian Code on Take-Overs and Mergers 2010 |
| Conversion Period | : The period during which an ICULS holder shall be at liberty to exercise the Conversion Rights and which shall be at any time commencing from the issue date until 5.00 p.m. on the maturity date and any ICULS not converted by the ICULS holder at the maturity date shall be mandatorily converted into new Share(s) |
| Conversion Price | : The sum of RM1.00 comprising ten (10) ICULS of RM0.10 each or a combination of ICULS with cash for every one (1) new Share or such other adjusted conversion price in accordance with the terms and conditions of the Trust Deed |
| Conversion Rights | : Each registered holder of the ICULS shall have the right at any time during the Conversion Period to convert the ICULS held by him into fully paid-up new Shares at the Conversion Price or adjusted conversion price in accordance with the terms and conditions of the Trust Deed. Any outstanding ICULS not converted at the end of the Conversion Period shall be mandatorily converted into new Shares at the Conversion Price or adjusted conversion price on the maturity date. Any fractions of one (1) new Share arising from the exercise of the Conversion Rights shall be disregarded and be dealt with by the Board as it may deem fit and expedient in the best interest of our Company |
| Corporate Exercises | : Private Placement of Shares with Warrants, Rights Issues, Increase in the Authorised Share Capital and M&A Amendments, collectively |

DEFINITIONS (Cont'd)

| | |
|--------------------------------------|---|
| Dato' Lee | : Dato' Lee Hean Guan, a major shareholder by virtue of his direct shareholdings in our Company and his deemed interest via his shareholdings in, Hean Brothers Holdings Sdn Bhd and LHG Holdings Sdn Bhd |
| Deed Poll | : The deed poll constituting the Warrants executed by our Company pursuant to the Private Placement of Shares with Warrants and the Rights Issue of Shares with Warrants |
| Director(s) | : Director(s) of our Company |
| Documents | : AP, NPA and RSF, collectively |
| EGM | : Extraordinary General Meeting |
| Entitled Shareholders | : Shareholders of SHCB whose names appear on the Record of Depositors on the Entitlement Date, who shall be entitled to participate in the Rights Issues |
| Entitlement Date | : 5.00 p.m. on 29 November 2012, being the date and time on which our shareholders must be registered on the Record of Depositors in order to participate in the Rights Issues |
| EPS | : Earnings per share |
| ESOS | : Employees' share option scheme |
| ESOS Options | : 5,040,000 options (comprising the outstanding options granted and the remaining options allowed to be granted under our Company's ESOS as at the LPD) |
| ETP | : Economic Transformation Programme |
| Exercise Period | : The period commencing on and including the date of issue of the Warrants and ending on the Market Day at 5.00 p.m. (Malaysian time) immediately before the fifth (5 th) anniversary of the issue date |
| Exercise Price | : RM1.00 per Warrant for one (1) new Share |
| FPE | : Financial period ended |
| FYE | : Financial year ended/ending 31 March |
| ICULS or Rights ICULS | : Five (5) year, 4.6%, irredeemable convertible unsecured loan stocks of nominal value of RM0.10 each to be issued pursuant to the Rights Issue of ICULS |
| Increase in Authorised Share Capital | : Increase in the authorised share capital of our Company from RM50,000,000 comprising 50,000,000 Shares to RM500,000,000 comprising 500,000,000 Shares |
| LAT | : Loss after taxation |
| LBT | : Loss before taxation |
| LHH | : Lee Hean Huat, a Director and major shareholder of SHCB by virtue of his direct shareholdings in SHCB and his deemed interest via his shareholdings in Hean Brothers Holdings Sdn Bhd |
| Listing Requirements | : Main Market Listing Requirements of Bursa Securities |

DEFINITIONS (Cont'd)

| | |
|--|--|
| LPD | : 9 November 2012, being the latest practicable date prior to the despatch of this AP |
| LPS | : Loss per share |
| M&A | : Memorandum and Articles of Association of our Company |
| M&A Amendments | : Amendments to the M&A to facilitate the increase in the authorised share capital of our Company pursuant to the Increase in Authorised Share Capital |
| Major Shareholder(s) | : Any person who has an interest or interests in one or more voting shares in the company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is ten percent (10%) or more of the aggregate of the nominal amounts of all the voting shares in the company or, five percent (5%) or more of the aggregate of the nominal amounts of all the voting shares in the company where such person is the largest shareholder of the company, as defined in Chapter 1 of the Listing Requirements For the purpose of this definition, “interest in shares” shall have the meaning given in Section 6A of the Act |
| Market Day(s) | : Any day(s) between Monday and Friday (inclusive) which is not a public holiday and on which Bursa Securities is open for trading in securities |
| Maximum Scenario | : The scenario that assumes that all of the ESOS Options are exercised into new Shares prior to the Entitlement Date and that all the Rights Shares and the Rights ICULS are fully subscribed by the Entitled Shareholders and/or renounees/transferees |
| Minimum Scenario | : The scenario that assumes that none of the ESOS Options are exercised into new Shares prior to the Entitlement Date and that the Rights Shares and the Rights ICULS are subscribed based on the Minimum Subscription Level-Rights Shares and the Minimum Subscription Level-Rights ICULS, respectively |
| Minimum Subscription Level-Rights Shares | : Representing the scenario that assumes the Rights Issue of Shares with Warrants will be undertaken on a minimum subscription level basis via the issuance of 1,000,000 Rights Shares together with 2,000,000 free Warrants |
| Minimum Subscription Level-Rights ICULS | : Representing the scenario that assumes the Rights Issue of ICULS will be undertaken on a minimum subscription level basis via the issuance of RM4,000,000 nominal value of Rights ICULS at 100% of its nominal value of RM0.10 each |
| NA | : Net assets attributable to ordinary shareholders of our Company |
| NPA | : Notice of Provisional Allotment in relation to the Rights Issues |
| Official List | : A list specifying all securities listed on the Main Market of Bursa Securities |
| PACs | : Persons acting in concert in accordance with Section 216 of the CMSA |
| PBT | : Profit before taxation |
| PDS | : Private Debt Securities |
| PDS Guidelines | : PDS Guidelines issued by the SC, as amended from time to time and any re-enactment thereof |

DEFINITIONS (Cont'd)

| | | |
|---|---|---|
| Placement Shares | : | 5,600,000 new Shares to be issued pursuant to the Private Placement of Shares with Warrants |
| PN | : | Practice Note |
| Private Placement of Shares with Warrants | : | Private placement of 5,600,000 new Shares together with 11,200,000 free Warrants on the basis of two (2) free Warrants for every one (1) Placement Share subscribed, at an issue price of RM1.00 per Placement Share |
| Provisional Rights ICULS | : | Rights ICULS provisionally allotted to the Entitled Shareholders pursuant to the Rights Issue of ICULS |
| Provisional Rights Shares with Warrants | : | Rights Shares with Warrants provisionally allotted to the Entitled Shareholders pursuant to the Rights Issue of Shares with Warrants |
| Record of Depositors | : | A record of security holders established and maintained by Bursa Depository |
| Rights ICULS | : | The ICULS to be issued pursuant to the Rights Issue of ICULS |
| Rights ICULS Undertakings | : | The irrevocable written undertakings by Dato' Lee and LHH dated 30 August 2012 to subscribe and/or procure subscriber(s) to subscribe for RM3,000,000 and RM1,000,000 nominal value of the Rights ICULS, respectively, to achieve the Minimum Subscription Level-Rights ICULS |
| Rights Issue of ICULS | : | Renounceable rights issue of up to RM23,153,800 nominal value of Rights ICULS at 100% of its nominal value of RM0.10 each on the basis of RM1.00 nominal value of the Rights ICULS for every two (2) existing Shares held on the Entitlement Date, based on the Minimum Subscription Level-Rights ICULS |
| Rights Issue of Shares with Warrants | : | Renounceable rights issue of up to 9,261,520 new Shares together with up to 18,523,040 free Warrants at an issue price of RM1.00 per Rights Share on the basis of one (1) Rights Share together with two (2) free Warrants for every five (5) existing Shares held on the Entitlement Date, based on the Minimum Subscription Level-Rights Shares |
| Rights Issues | : | The Rights Issue of Shares with Warrants and the Rights Issue of ICULS, collectively |
| Rights Shares | : | New Shares to be issued pursuant to the Rights Issue of Shares with Warrants |
| Rights Shares Undertaking | : | The irrevocable written undertaking by Dato' Lee dated 30 August 2012 to subscribe and/or procure subscriber(s) to subscribe for 1,000,000 Rights Shares with 2,000,000 free Warrants to achieve the Minimum Subscription Level-Rights Shares |
| RM and sen | : | Ringgit Malaysia and sen, respectively |
| RSF | : | Rights Subscription Form in relation to the Rights Issues |
| SC | : | Securities Commission Malaysia |
| SICDA | : | Securities Industries (Central Depositories) Act, 1991 |
| Skylitech | : | Skylitech Resources Sdn Bhd (230298-T) |
| SHCB or our Company | : | See Hup Consolidated Berhad (391077-V) |
| SHCB Group or our Group | : | SHCB and our subsidiaries, collectively |

DEFINITIONS (Cont'd)

| | |
|----------------------------|---|
| SHCB Share(s) or Share(s) | : Ordinary share(s) of RM1.00 each in SHCB |
| Substantial Shareholder(s) | : Any person who has an interest or interests in one or more voting shares in the company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is not less than five percent (5%) of the aggregate of the nominal amounts of all the voting shares in the company, as defined in Section 69D of the Act |
| TERP | : Theoretical ex-rights price, adjusted to include the effects from the issuance of the Rights Shares and the new Shares arising from the full exercise of the Warrants and the full conversion of the ICULS pursuant to the Rights Issues |
| Trust Deed | : The document constituting the ICULS executed between our Company and the Trustee who acts for the benefit of the holders of the ICULS |
| Trustee | : AmTrustee Berhad (Company No: 163032-V) |
| Warrants | : Warrants to be issued pursuant to the Private Placement of Shares with Warrants and the Rights Issue of Shares with Warrants, which shall constitute the same series of Warrants under the Deed Poll |
| 5-day VWAMP | : Five (5)-day volume weighted average market price |

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this AP to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this AP shall be a reference to Malaysian time, unless otherwise specified.

All references to the "Company" or "SHCB" in this AP are made to See Hup Consolidated Berhad and references to the "SHCB Group" or "Group" are to our Company and our subsidiaries. References to "we", "us", "our" and "ourselves" are to our Company and, unless where the context otherwise requires, our subsidiaries. All references to "you" in this AP are made to our Entitled Shareholders.

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CORPORATE DIRECTORY



SEE HUP CONSOLIDATED BERHAD
(Company No. 391077-V)
(Incorporated in Malaysia under the Companies Act, 1965)

BOARD OF DIRECTORS

| Name | Address | Designation | Profession | Nationality |
|----------------------------------|---|---|-------------------|--------------------|
| Lee Chor Min | No. 9, Denai Pinang 18 Seri Tanjung Pinang 10470 Tanjung Tokong, Penang | Group Managing Director | Managing Director | Malaysian |
| Lee Hean Huat | 1A, 06-01, Blok A, Sunny Ville Jalan Batu Uban 11700 Gelugor, Penang | Non-Independent Executive Director | Company Director | Malaysian |
| Haji Shamsul Ariffin B. Mohd Nor | No. 29, Jalan Berjaya 6 Taman Gombak Tambahan 68100 Batu Caves Selangor Darul Ehsan | Non-Independent Executive Director | Company Director | Malaysian |
| Haji Muhadzir Bin Mohd. Isa | 113 Persiaran Cinta Sayang Jalan Kelab Cinta Sayang 08000 Sungai Petani Kedah Darul Aman | Non-Independent Executive Director | Company Director | Malaysian |
| Loo Kam Weng | No.11, Gerbang Edgecumbe 10250 Penang | Senior Independent Non-Executive Director | Company Director | Malaysian |
| Lim Swee Aun | No. 1, 3 rd Floor, Wisma Limsa Jalan Pahlawan Taman Lagenda Indah 08000 Sungai Petani Kedah Darul Aman | Non-Independent Non-Executive Director | Company Director | Malaysian |
| Bee Sieong Heng | 60, Jalan Lagenda Indah Taman Lagenda Indah 08000 Sungai Petani Kedah Darul Aman | Non-Independent Non-Executive Director | Company Director | Malaysian |
| Ng Shiek Nee | No. 3A, Jalan Kekwa 6 Taman Sentosa, Bukit Baru 75150 Melaka | Independent Non-Executive Director | Company Director | Malaysian |
| Teh Tet Siem | 10 Logan Road 10400 Penang | Independent Non-Executive Director | Company Director | Malaysian |

CORPORATE DIRECTORY (Cont'd)**AUDIT COMMITTEE**

| Name | Designation | Directorship |
|-----------------|---------------------------------|---|
| Ng Shiek Nee | Chairman of the Audit Committee | Independent Non-Executive Director |
| Loo Kam Weng | Member of the Audit Committee | Senior Independent Non-Executive Director |
| Bee Sieong Heng | Member of the Audit Committee | Non-Independent Non-Executive Director |

JOINT COMPANY SECRETARIES : Tai Yit Chan (MAICSA 7009143)
 Ong Tze-En (MAICSA 7026537)
 Lau Yoke Leng (MAICSA 7034778)
 Boardroom Corporate Services (Penang) Sdn Bhd (527626-U)
 Suite 2-1, 2nd Floor
 Menara Penang Garden
 42A Jalan Sultan Ahmad Shah
 10050 Penang
 Tel: 04-229 4390
 Fax: 04-226 5860

REGISTERED OFFICE : Suite 2-1, 2nd Floor
 Menara Penang Garden
 42A Jalan Sultan Ahmad Shah
 10050 Penang
 Tel: 04-229 4390
 Fax: 04-226 5860

PRINCIPAL PLACE OF BUSINESS : 18 Jalan Limbungan
 Off Jalan Chain Ferry
 12100 Butterworth
 Tel: 04-310 5454
 Fax: 04-331 2190
 Website: www.seehup.com.my

AUDITORS : KPMG (AF 0758)
 Chartered Accountants
 1st Floor, Wisma Penang Garden
 42, Jalan Sultan Ahmad Shah
 10050 Penang
 Tel: 04-227 2288
 Fax: 04-227 1888

REPORTING ACCOUNTANTS : Siew Boon Yeong & Associates (AF 0660)
 Chartered Accountants
 9-C, Jalan Medan Tuanku
 Medan Tuanku
 50300 Kuala Lumpur
 Tel: 03-2693 8837
 Fax: 03-2693 8836

CORPORATE DIRECTORY (Cont'd)

- SOLICITORS : Lee Choon Wan & Co.
No. 12, Lorong Dungun
Damansara Heights
50490 Kuala Lumpur
Tel: 603-2093 0078
Fax: 603-2094 1750
- PRINCIPAL BANKER : AmBank (M) Berhad (8515-D)
Level 8, Menara Liang Court
No.37, Jalan Sultan Ahmad Shah
10050 Penang
Tel: 604-226 1818
Fax: 604-229 7488
- SHARE REGISTRAR AND
PAYING AGENT : Plantation Agencies Sdn. Berhad (2603-D)
3rd Floor, Standard Chartered Bank Chambers
Lebuh Pantai,
10300 Pulau Pinang
Tel: 604-262 5333
Fax: 604-262 2108
- ADVISER : Public Investment Bank Berhad (20027-W)
25th Floor, Menara Public Bank
146, Jalan Ampang
50450 Kuala Lumpur
Tel: 603-2166 9382
Fax: 603-2166 9386
- TRUSTEE : AmTrustee Berhad (163032-V)
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- STOCK EXCHANGE AND
LISTING : Main Market of Bursa Securities



SEE HUP CONSOLIDATED BERHAD
(Company No. 391077-V)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

Suite 2-1, 2nd Floor,
Menara Penang Garden,
42A, Jalan Sultan Ahmad Shah,
10050 Penang.

29 November 2012

Board of Directors:-

Lee Chor Min (*Group Managing Director*)
Lee Hean Huat (*Non-Independent Executive Director*)
Haji Shamsul Ariffin B. Mohd Nor (*Non-Independent Executive Director*)
Haji Muhadzir Bin Mohd. Isa (*Non-Independent Executive Director*)
Loo Kam Weng (*Senior Independent Non-Executive Director*)
Lim Swee Aun (*Non-Independent Non-Executive Director*)
Bee Sieong Heng (*Non-Independent Non-Executive Director*)
Ng Shiek Nee (*Independent Non-Executive Director*)
Teh Tet Siem (*Independent Non-Executive Director*)

To: Our Entitled Shareholders

Dear Sir/Madam,

- I. **RENOUNCEABLE RIGHTS ISSUE OF UP TO 9,261,520 RIGHTS SHARES TOGETHER WITH UP TO 18,523,040 FREE WARRANTS AT AN ISSUE PRICE OF RM1.00 PER RIGHTS SHARE ON THE BASIS OF ONE (1) RIGHTS SHARE TOGETHER WITH TWO (2) FREE WARRANTS FOR EVERY FIVE (5) EXISTING ORDINARY SHARES OF RM1.00 EACH ("SHARES") HELD AT 5.00 P.M. ON 29 NOVEMBER 2012, BASED ON A MINIMUM SUBSCRIPTION LEVEL OF 1,000,000 RIGHTS SHARES TOGETHER WITH 2,000,000 FREE WARRANTS; AND**
- II. **RENOUNCEABLE RIGHTS ISSUE OF UP TO RM23,153,800 NOMINAL VALUE OF ICULS AT 100% OF ITS NOMINAL VALUE OF RM0.10 EACH ON THE BASIS OF RM1.00 NOMINAL VALUE OF RIGHTS ICULS FOR EVERY TWO (2) EXISTING SHARES HELD AT 5.00 P.M. ON 29 NOVEMBER 2012, BASED ON A MINIMUM SUBSCRIPTION LEVEL OF RM4,000,000 NOMINAL VALUE OF RIGHTS ICULS**

1. INTRODUCTION

Our Board is pleased to inform you that at our Company's EGM held on 9 November 2012, our shareholders had approved the Rights Issues and the following:

- (a) Private Placement of Shares with Warrants;
- (b) Increase in Authorised Share Capital; and
- (c) M&A Amendments.

The Private Placement of Shares with Warrants and the Rights Issues are inter-conditional upon each other.

A certified true extract of the resolutions pertaining to the Rights Issues passed at the said EGM is attached in Appendix I of this AP.

On 23 August 2012, PIVB, had on our behalf, announced that BNM had vide its letter dated 16 August 2012 approved the issuance of the Warrants to our non-resident Entitled Shareholders pursuant to the Rights Issue of Shares with Warrants.

On 11 October 2012, PIVB, had on our behalf, announced that Bursa Securities had vide its letter dated 10 October 2012, granted its approval for the following:

- (a) admission of the Warrants and the ICULS to the Official List of Bursa Securities;
- (b) listing of and quotation for the Placement Shares, Rights Shares, Warrants, ICULS and the new Shares arising from the full exercise of the Warrants and the full conversion of the ICULS on the Main Market of Bursa Securities; and
- (c) extension of time for our Company/the placees to comply with Paragraph 6.13 of the Listing Requirements pursuant to the Private Placement of Shares with Warrants.

The approval granted by Bursa Securities is subject to the following conditions:

| Conditions imposed | | Status of compliance |
|--------------------|--|----------------------|
| (a) | Our Company and PIVB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Corporate Exercises | Noted |
| (b) | Our Company and PIVB to inform Bursa Securities upon completion of the Corporate Exercises | To be met |
| (c) | Our Company to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Corporate Exercises are completed | To be met |
| (d) | Our Company is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed (pursuant to the respective exercise of the Warrants and conversion of the ICULS) as at the end of each quarter together with a detailed computation of listing fees payable | To be met |

On 23 October 2012, PIVB, had on our behalf, announced that the SC had approved for the issuance of the ICULS pursuant to the Rights Issue of ICULS under the PDS Guidelines, vide its letter dated 22 October 2012.

The SC's approval is subject to the following conditions:

| Conditions imposed | | Status of compliance |
|--------------------|--|----------------------|
| (a) | Prior to the issue of the ICULS, PIVB is required to submit a checklist of compliance with the standard approval conditions and continuing obligations as stipulated in the PDS Guidelines, and any other condition imposed in any other letter issued in connection with the Corporate Exercises | To be met |
| (b) | The provisions of the CMSA, guidelines, notices and circulars issued or administered by the SC are an integral part of our approval and must be complied with. PIVB and our Company are reminded that any contravention or non-compliance will be subject to enforcement actions by the SC as provided under the CMSA. | Noted |

The official listing of and quotation for the Rights Shares, Warrants, ICULS and the new SHCB Shares arising from the full exercise of the Warrants and the full conversion of the ICULS will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS accounts of our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

On 14 November 2012, PIVB, had on our behalf, announced that the Entitlement Date, whereby our shareholders must be registered on the Record of Depositors in order to participate in the Rights Issues, has been fixed at 5.00 p.m. on 29 November 2012.

No person is authorised to give any information or to make any representation not contained herein in connection with the Rights Issues, and if given or made, such information or representation must not be relied upon as having been authorised by us or PIVB.

IF YOU ARE IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUES

2.1 Introduction

In accordance with the terms of the Rights Issues as approved by our shareholders, our Company will provisionally allot:-

- (i) up to 9,261,520 Rights Shares together with up to 18,523,040 free Warrants at an issue price of RM1.00 per Rights Share on the basis of one (1) Rights Share together with two (2) free Warrants for every five (5) existing Shares held on the Entitlement Date, based on the Minimum Subscription Level-Rights Shares to raise at least RM1,000,000; and
- (ii) up to RM23,153,800 nominal value of ICULS at 100% of the nominal value of RM0.10 each on the basis of RM1.00 nominal value of Rights ICULS for every two (2) existing Shares held on the Entitlement Date based on the Minimum Subscription Level-Rights ICULS to raise at least RM4,000,000.

The Rights Issue of Shares with Warrants and the Rights Issue of ICULS are inter-conditional upon each other.

The Rights Issue of Shares with Warrants and the Rights Issue of ICULS will be undertaken on the Minimum Subscription Level-Rights Shares and Minimum Subscription Level-ICULS, respectively which was determined by our Board after taking into consideration, amongst others, the uncertain market conditions prevailing in the equity markets globally, the present financial and cash flow position of our Group, the amount of funds for the working capital requirements of our Group and to partially repay our Group's bank borrowings.

As an Entitled Shareholder, you will find enclosed with this AP:-

- (i) A NPA in respect of the number of Rights Shares with Warrants and the number of Rights ICULS for which you are entitled to subscribe under the terms of the Rights Issues; and
- (ii) A RSF which is to be used for the acceptance of the Rights Shares with Warrants and the Rights ICULS provisionally allotted to you, and for the application(s) of any Rights Shares with Warrants and any Rights ICULS pursuant to the excess Rights Shares with Warrants and excess Rights ICULS applications, should you wish to do so.

You can fully or partially subscribe and/or renounce your entitlements for the Rights Shares with Warrants and the Rights ICULS. However, the Rights Shares with Warrants and the Rights ICULS can be renounced separately, but not the entitlements for the Rights Shares with Warrants. Should you renounce all of your Rights Shares, you shall not be entitled to any of the free Warrants attached with the Rights Shares, and if you accept only part of your Rights Shares, you shall be entitled to the free Warrants in the proportion of your acceptance of the Rights Shares entitlements.

The free Warrants will be detached from the Rights Shares immediately upon issuance and traded separately on Bursa Securities.

In addition to taking up your respective entitlements under the Rights Issues, you may also apply for the excess Rights Shares with Warrants and/or the excess Rights ICULS under the excess Rights Shares with Warrants application and/or under the excess Rights ICULS application, respectively. It is the intention of our Board to allot the excess Right Shares with Warrants and/or the excess Rights ICULS, if any, in a fair and equitable manner as further set out in Section 11.1.4 of this AP.

The Rights Shares with Warrants and/or the Rights ICULS which are renounced, not validly taken up or are not allotted for any reason whatsoever, will first be made available for the excess Rights Shares with Warrants and/or the excess Rights ICULS applications by our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable). After which, any remaining unsubscribed Rights Shares with Warrants and/or the Excess ICULS will be subscribed by the shareholders who have provided their undertakings pursuant to the Rights Shares Undertaking and the Rights ICULS Undertakings.

Any fractional entitlement under the Rights Issues shall be disregarded and the aggregate of such fractions, if any, shall be dealt with in such manner or on such terms as our Board may at its absolute discretion deem fit and expedient and in the best interest of our Company.

Any dealing in our Company's securities will be subjected to the SICDA and the Rules of Bursa Depository. The Rights Shares with Warrants and/or the Rights ICULS will be credited directly into your CDS accounts if you are successful in subscribing for such securities under the Rights Issues as the case may be. No physical share certificates, warrant certificates or loan stock certificates will be issued.

Our Company shall despatch notices of allotment to the successful applicants within eight (8) Market Days from the last day for acceptance and payment of the Rights Shares with Warrants and the Rights ICULS or such other period as may be prescribed by Bursa Securities.

2.2 Rights Issue of Shares with Warrants

2.2.1 Basis of determining the issue price of the Rights Shares and the exercise price of the free Warrants

The issue price of RM1.00 per Rights Share and the exercise price of RM1.00 per Warrant for one (1) new Share were arrived at after taking into consideration the:-

- (i) the 5-Day VWAMP of the Shares of RM0.79 up to and including 31 July 2012, being the last Market Day immediately prior to the announcement of the Corporate Exercises on 1 August 2012; and
- (ii) the minimum issue price allowable under the Act, which is not less than the par value of the Shares, being RM1.00 each.

For illustrative purposes, the issue price of RM1.00 per Rights Share and the exercise price of RM1.00 per free Warrant represent:-

- (i) a premium of approximately RM0.12 or 13.64% over the TERP of the Shares of RM0.88, which is computed based on the 5-day VWAMP of the Shares up to and including the last Market Day prior to the announcement of the Corporate Exercises on 1 August 2012; and
- (ii) a discount of approximately 0.99% to the TERP of the Shares of approximately RM1.01, which is computed based on the 5-day VWAMP of the Shares up to and including the LPD of approximately RM1.03 per Share.

The basis for attaching the Warrants to the Rights Shares is to provide our Entitled Shareholders and/or applicants with added incentive to subscribe for the Rights Shares by enabling them to have a greater participation in the equity of our Company in the future.

2.2.2 Ranking of the Rights Shares and the new Shares arising from the full exercise of the free Warrants

The Rights Shares and the new Shares to be issued arising from the full exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Shares except that they will not be entitled to any dividends, rights, allotments and/or distributions, that may be declared, made or paid prior to the date of allotment of the Rights Shares or the new Shares to be issued arising from the exercise of the Warrants.

2.2.3 Principal terms of the free Warrants

The principal terms of the free Warrants are as follows:-

| | | |
|--|---|---|
| Issuer | : | SHCB |
| Number of Warrants | : | Up to 29,723,040 Warrants comprising: <ul style="list-style-type: none"> (i) up to 11,200,000 Warrants to be issued for free pursuant to the Private Placement of Shares with Warrants; and (ii) up to 18,523,040 Warrants to be issued for free pursuant to the Rights Issue of Shares with Warrants. |
| Number of new Shares to be issued upon full exercise of the Warrants | : | Up to 29,723,040 new Shares will be issued pursuant to the exercise of up to 29,723,040 Warrants on the basis of one (1) new Share for every one (1) Warrant exercised. |
| Form | : | The Warrants will be issued in registered form and constituted by the Deed Poll. |
| Issue Date | : | The date of issue of the Warrants. |
| Issue Price | : | The Warrants to be issued pursuant to the Private Placement of Shares with Warrants and the Rights Issue of Shares with Warrants are to be issued at no cost to the placees and/or Entitled Shareholders and/or their renounee(s)/transferee(s) who subscribe to the Placement Shares and/or Rights Shares, as the case may be. |
| Exercise Price | : | The exercise price of the Warrants is RM1.00 per Warrant for one (1) new Share. The exercise price and the number of outstanding Warrants shall however be subject to the adjustments under certain circumstances in accordance with the provisions of the Deed Poll during the Exercise Period. |
| Exercise Period | : | The period commencing on and including the Issue Date and ending on the Market Day at 5.00 p.m. (Malaysian time) immediately before the fifth (5 th) anniversary of the Issue Date. Any Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose. |
| Expiry Date | : | The Market Day falling immediately before the fifth (5 th) anniversary of the Issue Date. |

- Board Lot : The Warrants are tradable upon listing in board lots of one hundred (100) units or such other number of units as may be prescribed by Bursa Securities.
- Subscription Rights : Each Warrant entitles the registered holder to subscribe for one (1) new Share at any time during the Exercise Period at the Exercise Price which shall be subject to the adjustments under certain circumstances in accordance with the provisions of the Deed Poll during the Exercise Period.
- Rights of Warrants : The Warrants holders are not entitled to any voting right or to participate in any distribution and/or offer of further securities in our Company until and unless such Warrants holders exercise their Warrants for new Shares.
- Status of new Shares arising from the full exercise of the Warrants : The new Shares to be allotted and issued upon the exercise of the Warrants will rank *pari passu* in all respects with the then existing Shares except that they will not be entitled to any dividends, rights, allotments and/or distributions, that may be declared, made or paid prior to the date of allotment of the new Shares to be issued arising from the exercise of the Warrants.
- Listing : Bursa Securities had on 10 October 2012 granted its approval for the admission of the Warrants to the Official List of Bursa Securities and for the listing of and quotation for the Warrants and the new Shares to be issued pursuant to the full exercise of the Warrants on the Main Market of Bursa Securities.
- Deed Poll : The Warrants are constituted by the Deed Poll executed by our Company on 12 November 2012.
- Governing Law : Laws and regulations of Malaysia.
- Rights in the event of winding-up, liquidation, compromise and/or arrangement : If a resolution is passed for a members' voluntary winding-up of our Company or where there is a compromise and/or arrangement, then:
- (i) if such winding-up, compromise or arrangement has been approved by the Warrants holders, or some other person designated by them for such purpose by special resolution, the terms of such winding-up, compromise and/or arrangement shall be binding on all the Warrants holders; and
 - (ii) in any other case, every Warrants holder shall be entitled within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of our Company or the granting of court order approving the compromise and/or arrangement, to elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise and/or arrangement, exercised the Warrants. All Warrants which have not been exercised within six (6) weeks of the passing of such resolution or granting of the Court Order, shall lapse and the Warrants shall cease to be valid for any purpose.

If our Company is wound up (other than by way of a members' voluntary winding-up), all Warrants which have not been exercised prior to the date of commencement of the winding-up shall cease to be valid for any purpose.

Adjustment to the Exercise Price and/or the number of Warrants held by Warrants holders in the event of alteration to the share capital : Subject to the provisions of the Deed Poll, the Exercise Price and/or the number of Warrants held by each Warrants holder shall be adjusted by our Board in consultation with the adviser and if deemed necessary, certification of the external auditors or an investment bank appointed by our Company, under certain circumstances in accordance with the provisions as set out in the Deed Poll.

2.3 Rights Issue of ICULS

2.3.1 Basis of determining the issue price of the Rights ICULS and the conversion price of the ICULS

The Rights ICULS shall be issued at 100% of the nominal value of RM0.10 each and the conversion price of the ICULS of RM1.00 for one (1) new Share were arrived at after taking into consideration, amongst others, the following:-

- (i) the 5-Day VWAMP of the Shares of RM0.79 up to and including 31 July 2012, being the last Market Day prior to the announcement of the Corporate Exercises on 1 August 2012; and
- (ii) the minimum issue price allowable under the Act for the new Shares arising from the conversion of the ICULS, which is not less than the par value of the Shares, being RM1.00 each.

For illustrative purposes, the conversion price of the ICULS of RM1.00 represent:-

- (i) a premium of approximately RM0.12 or 13.64% over the TERP of the Shares of RM0.88, which is computed based on the 5-day VWAMP of the Shares up to and including the last Market Day prior to the announcement of the Corporate Exercises on 1 August 2012; and
- (ii) a discount of approximately 0.99% to the TERP of the Shares of approximately RM1.01, which is computed based on the 5-day VWAMP of the Shares up to and including the LPD of approximately RM1.03 per Share.

Based on the conversion price of RM1.00, the ICULS may be converted into one (1) new Share in the following manner:-

- (i) surrendering the ICULS on the basis of ten (10) ICULS of aggregate nominal value of RM1.00 for one (1) new Share; or
- (ii) surrendering any number of ICULS and paying the difference between the nominal value of such surrendered ICULS and the Conversion Price in cash on the basis that the nominal value of such surrendered ICULS and the cash paid aggregating RM1.00 shall be adequate consideration for conversion to one (1) new Share.

Any ICULS which are not converted would be mandatorily converted into new Shares on the maturity date of the ICULS.

Fractions of a new Share arising from the exercise of the Conversion Rights, if any, will be disregarded and will be dealt with by our Board as it may deem fit and expedient in the best interest of our Company.

2.3.2 Status of the ICULS and ranking of the new Shares arising from the full conversion of the ICULS

The ICULS shall constitute direct, unsecured and unconditional obligation of SHCB ranking *pari passu* amongst themselves and with all other subordinated and unsecured obligations of SHCB, subject only to those preferred by law.

The new Shares arising from the full conversion of the ICULS shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Shares except that they will not be entitled to any dividends, rights, allotments and/or distributions, that may be declared, made or paid prior to the date of allotment of these new Shares.

2.3.3 Principal terms of the ICULS

The principal terms of the ICULS are as follows:-

| | | |
|-------------------------|---|---|
| Issuer | : | SHCB |
| Issue Size | : | Up to RM23,153,800 nominal value of ICULS of RM0.10 each to be issued pursuant to the Rights Issue of ICULS. |
| Issue Price | : | 100% of the nominal value of RM0.10 each. |
| Form and Denomination | : | The ICULS will be issued in denominations of RM0.10 or in multiples of 100 units and constituted by the Trust Deed. |
| Basis of Allotment | : | RM1.00 nominal value of Rights ICULS for every two (2) existing Shares held by our Entitled Shareholders on the Entitlement Date. |
| Tenure | : | Five (5) years commencing on and including the date of issue of the ICULS. |
| Maturity Date | : | The last Market Day prior to the fifth (5 th) anniversary of the date of issue of the ICULS. |
| Coupon Rate and Payment | : | 4.6% on the nominal value of the ICULS payable on semi-annually in arrears. |
| Conversion Rights | : | Each registered holder of the ICULS shall have the right at any time during the Conversion Period to convert such amount of ICULS held into fully paid-up new Shares at the Conversion Price. Any outstanding ICULS not converted at the end of the Conversion Period shall be mandatorily converted into new Shares at the Conversion Price on the Maturity Date. Any fractions of one (1) new Share arising from the mandatory conversion of the ICULS on the Maturity Date shall be disregarded and be dealt with by our Board as it may deem fit and expedient in the best interest of our Company. |
| Conversion Price | : | The sum of RM1.00 comprising ten (10) ICULS of RM0.10 each or a combination of ICULS and cash for every one (1) new Share or such other adjusted conversion price as shall be adjusted in accordance with the terms and conditions of the Trust Deed. |

- Conversion Period : The period during which an ICULS holder shall be at liberty to exercise the Conversion Rights and which shall be at any time commencing from the Issue Date until 5.00 p.m. on the Maturity Date and any ICULS not converted by the ICULS holder at the Maturity Date shall be mandatorily converted for new Share(s).
- Conversion Mode : The ICULS may be converted into new Shares in the following manner:
- (i) surrendering the ICULS on the basis of ten (10) ICULS of aggregate nominal value of RM1.00 for one (1) new Share; or
 - (ii) surrendering any number of ICULS and paying the difference between the nominal value of such surrendered ICULS and the Conversion Price in cash on the basis that the nominal value of such surrendered ICULS and the cash paid aggregating RM1.00 shall be adequate consideration for conversion to one (1) new Share.
- Conversion Price Adjustment : Our Company shall make the necessary adjustment to the Conversion Price in the event of any alteration to the share capital of our Company on or before the Maturity Date, whether by way of rights issues, bonus issues, consolidation of shares, sub-division of shares or reduction in capital howsoever being affected, in accordance with the provisions of the Trust Deed.
- Redeemability : The ICULS will not be redeemable for cash. All outstanding ICULS will be mandatorily converted into new Shares on the Maturity Date.
- Purchase or Cancellation : Our Company and/or any of our subsidiaries may at any time purchase any ICULS on the Main Market of Bursa Securities at the market price prevailing at the time of purchase.
- All ICULS purchased by our Company and/or our subsidiaries shall be cancelled, subject to regulatory procedures and cannot be resold or be converted into new Shares.
- Status of ICULS : The ICULS shall constitute direct, unconditional and unsecured obligations of our Company and subject to the provisions contained in the Trust Deed, must at all times rank pari passu, without discrimination, preference or priority between themselves and must rank at least pari passu with all present and future direct, unconditional, unsecured and unsubordinated debts and obligations of our Company except those which are preferred by law.
- ICULS holders' rights to participate in any distribution and/or offer of further securities in our Company : The ICULS holders are not entitled to participate in any distribution and/or offer of further securities in our Company until and unless such ICULS holders exercise their Conversion Rights.

- Rights of the ICULS holders on liquidation : In the event the ICULS become payable upon the occurrence of an event of default, the amount which is immediately due and payable by our Company to the holders of the ICULS or which the holders of the ICULS may prove for in the liquidation shall be the nominal value of the outstanding ICULS. Save as aforementioned, the ICULS shall not be liable to be redeemed in cash but only by conversion into fully paid new Shares in accordance with the provisions of the Trust Deed.
- Maximum number of new Shares to be issued arising from the conversion of the ICULS : Based on the Conversion Price of RM1.00 for one (1) new Share, the maximum number of new Shares to be issued on conversion of all the ICULS is 231,538,000 new Shares.
- Ranking of new Shares arising from the full conversion of the ICULS : The new Shares to be allotted and issued upon the conversion of the ICULS shall, upon issuance and allotment, rank *pari passu* in all respects with the then existing Shares except that they will not be entitled to any dividends, rights, allotments and/or distributions, that may be declared, made or paid prior to the date of allotment of these new Shares.
- Listing : Bursa Securities had on 10 October 2012, granted its approval for the admission to the Official List and the listing of and quotation for the ICULS as well as the listing of and quotation for the new Shares arising from the full conversion of the ICULS on the Main Market of Bursa Securities.
- Board Lot : The ICULS are tradable in board lots of RM10 nominal value of ICULS, or such denomination as may be determined by Bursa Securities upon listing.
- Rating : The ICULS will not be rated.
- Trust Deed : The ICULS are constituted by the Trust Deed executed between our Company and the Trustee on 12 November 2012.
- Trustee : AmTrustee Berhad (Company No: 163032-V), a company incorporated in Malaysia and registered as a trust corporation under the Trust Companies Act 1949 and having its registered office at 22nd Floor, Bangunan AmBank Group 55, Jalan Raja Chulan, 50200 Kuala Lumpur.
- Governing Law : Laws and regulations of Malaysia.

3. OTHER CORPORATE EXERCISES

Save for the Rights Issues, the other corporate exercises mentioned in Section 1 of this AP and as disclosed below, there are no other corporate exercises that have been approved by the relevant regulatory authorities but not yet implemented as at the LPD.

On 25 July 2012, our Company announced that our wholly-owned subsidiary, See Hup Transport Company Sdn Bhd, had entered into a sale and purchase agreement with Penang Development Corporation for the acquisition of a parcel of vacant industrial land located in Daerah Seberang Perai Tengah, Penang for a cash consideration of RM3,114,546.70 (“Land”). As at the LPD, this proposal is pending the application by the Penang Development Corporation to the State Authority of Penang to alienate the Land to See Hup Transport Company Sdn Bhd within a period of twelve (12) months from the date of the sale and purchase agreement.

4. SHAREHOLDERS’ UNDERTAKING AND UNDERWRITING ARRANGEMENT

4.1 Shareholders’ undertaking relating to the Rights Issue of Shares with Warrants

Dato’ Lee had on 30 August 2012, provided the Rights Shares Undertaking to subscribe and/or procure subscriber(s) to subscribe for his Rights Shares entitlements and the requisite number of excess Rights Shares not subscribed by the other Entitled Shareholders in order to achieve the Minimum Subscription Level-Rights Shares. Details of Dato’ Lee’s direct shareholdings in SHCB and his Rights Shares entitlement as well as the Rights Shares Undertaking are set out in the table below:

| Shareholder | Shares held directly as at the LPD | | Rights Shares Entitlement | | Rights Shares Undertaking | |
|-------------|------------------------------------|-------|---------------------------|------|---------------------------|-------|
| | No. of Shares | % | No. of Rights Shares | ^% | No. of Rights Shares | ^% |
| Dato’ Lee | 4,246,465 | 10.29 | 849,293 | 9.17 | 1,000,000 | 10.79 |

Note:

^ As a percentage of 9,261,520, being the maximum number of Rights Shares to be issued pursuant to the Rights Issue of Shares with Warrants.

Arising from the obligation of the Rights Shares Undertaking, Dato’ Lee has also confirmed via his letter dated 30 August 2012 and PIVB has verified, to the extent possible, that Dato’ Lee has sufficient financial resources to subscribe for 1,000,000 Rights Shares with 2,000,000 free Warrants in order to achieve the Minimum Subscription Level-Rights Shares.

In view of the Rights Shares Undertaking procured from Dato’ Lee and that the Rights Issue of Shares with Warrants will be undertaken on the Minimum Subscription Level-Rights Shares, the Rights Issue of Shares with Warrants will not be underwritten.

In the event that the Minimum Subscription Level-Rights Shares is not achieved, our Company will not proceed with the implementation of the Rights Issue of Shares with Warrants. In addition, the Rights Issue of ICULS and the Private Placement of Shares with Warrants will also not be implemented as all of these corporate exercises are inter-conditional upon each other.

As at the LPD, our Company does not have any other alternative fund raising plan in the event the Minimum Subscription Level-Rights Shares is not achieved.

4.2 Shareholders' undertaking relating to the Rights Issue of ICULS

Dato' Lee and LHH had both on 30 August 2012 provided irrevocable written undertakings to subscribe and/or procure subscriber(s) to subscribe for an aggregate amount of RM4,000,000 nominal value of the Rights ICULS to achieve the Minimum Subscription Level-Rights ICULS in the manner as set out in the table below:

| Shareholders | Shares held directly as at the LPD | | Rights ICULS entitlements | | Rights ICULS Undertakings | |
|--------------|------------------------------------|-------|----------------------------------|------|----------------------------------|-------|
| | No. of Shares | % | Nominal value of Rights ICULS RM | ^% | Nominal value of Rights ICULS RM | ^% |
| Dato' Lee | 4,246,465 | 10.29 | 2,123,232 | 9.17 | 3,000,000 | 12.96 |
| LHH | 581,330 | 1.41 | 290,665 | 1.26 | 1,000,000 | 4.32 |

Note:

^ As a percentage of RM23,153,800, being the maximum nominal value of the Rights ICULS to be issued pursuant to the Rights Issue of ICULS.

Arising from the obligations of the Rights ICULS Undertakings, Dato' Lee and LHH have also confirmed via their letters dated 30 August 2012 that they have sufficient financial resources to subscribe for the Rights ICULS pursuant to their Rights ICULS Undertakings in the above-mentioned manner. PIVB has verified to the extent possible that Dato' Lee and LHH have the financial resources to fulfil their commitments pursuant to the Rights ICULS Undertakings.

In view of the Rights ICULS Undertakings procured from Dato' Lee and LHH and that the Rights Issue of ICULS will be undertaken on the Minimum Subscription Level-Rights ICULS, the Rights Issue of ICULS will not be underwritten.

In the event that the Minimum Subscription Level-Rights ICULS is not achieved, our Company will not proceed with the implementation of the Rights Issue of ICULS. In addition, the Rights Issue of Shares with Warrants and the Private Placement of Shares with Warrants will also not be implemented as these corporate exercises are inter-conditional upon each other.

As at the LPD, our Company does not have any other alternative fund raising plan in the event the Minimum Subscription Level-Rights ICULS is not achieved.

The subscription of the Rights Shares by Dato' Lee pursuant to the Rights Shares Undertaking and the subscription of the Rights ICULS by Dato' Lee and LHH pursuant to the Rights ICULS Undertakings are not expected to trigger the mandatory take-over offer obligation under Part III of the Code. However, the collective shareholdings of Dato' Lee and his PACs may potentially increase by more than two percent (2%) in any six (6)-month period upon conversion of the ICULS and/or exercise of Warrants for new Shares by Dato' Lee and/or his PACs.

In relation to the above, Dato' Lee and his PACs may make an application to the SC to seek an exemption for him and his PACs under Paragraph 16.1 of PN 9 of the Code from the obligation to extend a mandatory take-over offer for the remaining Shares and convertible securities not already owned by them prior to them converting the ICULS for new Shares and/or exercise of the Warrants for new Shares which could trigger the obligation to undertake the mandatory take-over offer.

However, in the event that Dato' Lee and/or his PACs acquire additional Shares other than as a result from acquiring the Shares from the conversion of the ICULS and/or exercise of the Warrants for new Shares if their collective shareholdings in SHCB is above 33% but below 50% and has exceeded two percent (2%) in any six (6)-month period, Dato' Lee and/or his PACs will be obliged to undertake the mandatory take-over offer.

5. UTILISATION OF PROCEEDS

5.1 Utilisation of Proceeds from the Rights Issue of Shares with Warrants

For illustrative purposes, based on the renounceable rights issue of up to 9,261,520 Rights Shares together with up to 18,523,040 free Warrants at an issue price of RM1.00 per Rights Share, the Rights Issue of Shares with Warrants is expected to raise gross proceeds of up to approximately RM9.26 million (excluding proceeds from any exercise of the Warrants in the future, if any).

The proceeds are expected to be utilised by our Group in the following manner:

| Utilisation | Minimum Scenario RM'000 | % | Maximum Scenario RM'000 | % | Expected timeframe for utilisation from date of receipt |
|---|----------------------------|-----|----------------------------|-----|---|
| Repayment of bank borrowings ^(a) | 600 | 60 | 6,000 | 65 | Within 6 months |
| Working capital ^(b) | 200 | 20 | 3,062 | 33 | Within 6 months |
| Estimated expenses for the Rights Issue of Shares with Warrants ^(c) | 200 | 20 | 200 | 2 | Within 6 months |
| | 1,000 | 100 | 9,262 | 100 | |

Notes:

(a) As at the LPD, our Group's bank borrowings amount to approximately RM36.80 million. Based on our Group's average interest rate of 5.49% per annum, assuming approximately RM6.00 million of the proceeds is used to partially repay our Group's bank borrowings (under Maximum Scenario), it is expected to contribute to interest savings of approximately RM0.33 million per annum. However, assuming approximately RM0.6 million of the proceeds is used to partially repay our Group's bank borrowings (under Minimum Scenario), it is expected to contribute to interest savings of approximately RM0.03 million per annum.

The proceeds of up to RM6.00 million shall be utilised for our Group's bank borrowings, the details of which are set out below:

| Proposed utilisation | Minimum Scenario RM'000 | Maximum Scenario RM'000 |
|-----------------------------|----------------------------|----------------------------|
| Bank Overdrafts | 600 | 4,000 |
| Revolving Credit Facilities | - | 2,000 |
| Total | 600 | 6,000 |

The details of bank borrowings to be repaid from the proceeds of the Rights Issue of Shares with Warrants are as follows:

| Facility | Facility Amount RM'000 | Outstanding Amount RM'000 | Purpose |
|-----------------------------|---------------------------|------------------------------|-----------------|
| Bank Overdrafts | 9,925 | 4,204 | Working capital |
| Revolving Credit Facilities | 10,700 | 10,700 | Working capital |

(b) The proceeds of up to RM3.06 million shall be utilised for our Group's working capital requirements, the details of which are set out below.

| Utilisation | Estimated Amount RM'000 |
|---------------------------------|----------------------------|
| Operating Expenses [^] | 2,062 |
| Personnel Costs [*] | 1,000 |
| Total | 3,062 |

[^] The details of the operating expenses of up to approximately RM2.06 million to be paid using the proceeds from the Rights Issue of Shares with Warrants are as follows.

| Utilisation | Estimated Amount RM'000 |
|--|----------------------------|
| Diesel | 800 |
| Hire of lorries and transport charges | 800 |
| Repairs and maintenance of fleet of trucks | 462 |
| Total | 2,062 |

^{*} The personnel cost includes basic salary, Employees Provident Fund, Socso and statutory payments.

(c) The estimated expenses of the Corporate Exercises are approximately RM1.00 million mainly consisting of estimated professional fees, fees payable to the relevant authorities and other miscellaneous expenses. An amount of RM0.20 million, RM0.20 million and RM0.60 million, respectively of the proceeds raised from the Rights Issue of Shares with Warrants, the Private Placement of Shares with Warrants and the Rights Issue of ICULS will be used to settle the total estimated expenses of approximately RM1.00 million. Any surplus or shortfall of funds allocated for the payment of the estimated expenses will be adjusted accordingly from the working capital, as the case may be.

The proceeds of RM0.20 million raised from the Rights Issue of Shares with Warrants will be used to settle the estimated professional fees.

For illustrative purposes, the maximum quantum of proceeds to be received by our Company pursuant to the full exercise of up to 18,523,040 Warrants to be issued pursuant to the Rights Issue of Shares with Warrants at the Exercise Price is approximately RM18.52 million.

However, the actual quantum of proceeds to be received by our Company is dependent upon the actual number of Warrants exercised during the Exercise Period of the Warrants. Nevertheless, our Group intends to use such proceeds received by our Company, if any, for working capital and business expansion purposes, the details of which has yet to be determined by our Board as at the LPD.

5.2 Utilisation of Proceeds from the Rights Issue of ICULS

For illustrative purposes, based on the renounceable rights issue of up to RM23,153,800 nominal value of the ICULS at 100% of its nominal value of RM0.10 each, the Rights Issue of ICULS is expected to raise gross proceeds of up to approximately RM23.15 million (excluding proceeds from any conversion of the ICULS by way of the cash option, if any).

The proceeds are expected to be utilised by our Group in the following manner:

| Utilisation | Minimum Scenario | | Maximum Scenario | | Expected timeframe for utilisation from date of receipt |
|---|------------------|------------|------------------|------------|---|
| | RM'000 | % | RM'000 | % | |
| Repayment of bank borrowings ^(a) | 3,400 | 85 | 6,000 | 26 | Within 6 months |
| Working capital ^(b) | - | - | 16,554 | 72 | Within 6 months |
| Estimated expenses for the Rights Issue of ICULS ^(c) | 600 | 15 | 600 | 2 | Within 6 months |
| | 4,000 | 100 | 23,154 | 100 | |

Notes:

(a) As at the LPD, our Group's bank borrowings amount to approximately RM36.80 million. Based on the net average interest rate of 0.89% per annum being the difference of the average interest rate of our Group of 5.49% per annum and the coupon rate of the ICULS of 4.6% per annum, assuming approximately RM6.00 million of the proceeds is used to repay our Group's bank borrowings (under Maximum Scenario), it is expected to contribute to net interest savings of approximately RM0.05 million per annum. Assuming approximately RM3.4 million of the proceeds is used to repay our Group's bank borrowings (under Minimum Scenario), it is expected to contribute to net savings of approximately RM0.03 million per annum.

The proceeds of up to RM6.00 million shall be utilised for our Group's bank borrowings, the details of which are set out below:

| Proposed utilisation | Minimum Scenario RM'000 | Maximum Scenario RM'000 |
|----------------------|----------------------------|----------------------------|
| Hire Purchase | 2,000 | 3,000 |
| Term Loan | 1,400 | 3,000 |
| Total | 3,400 | 6,000 |

The details of bank borrowings to be repaid from the proceeds of the Rights Issue of ICULS are set out below.

| Facility | Facility Amount RM'000 | Outstanding Amount RM'000 | Maturity Date | Purpose/Year of Purchase |
|---------------|---------------------------|------------------------------|---------------------------------|--------------------------------|
| Hire Purchase | 11,671 | 3,868 | September 2013 – September 2015 | Purchase of trucks 2009 - 2011 |
| Term Loan | 9,919 | 4,509 | January 2013 – May 2017 | Purchase of trucks 2010 - 2012 |

(b) The proceeds of up to RM16.55 million shall be utilised for our Group's working capital requirements, the details of which are set out below:

| Utilisation | Estimated Amount RM'000 |
|---------------------------------|----------------------------|
| Operating Expenses [^] | 15,000 |
| Personnel Costs [*] | 1,554 |
| Total | 16,554 |

^ The details of the operating expenses of up to RM15.0 million to be paid using the proceeds from the Rights Issue of ICULS are as follows.

| <i>Utilisation</i> | <i>Estimated Amount RM'000</i> |
|---|------------------------------------|
| <i>Diesel</i> | <i>5,000</i> |
| <i>Hire of lorries and transport charges</i> | <i>5,000</i> |
| <i>Repairs and maintenance of fleet of trucks</i> | <i>5,000</i> |
| Total | 15,000 |

* The personnel cost includes basic salary, Employees Provident Fund, SOCSO and statutory payments.

(c) The estimated expenses of the Corporate Exercises are approximately RM1.00 million mainly consisting of estimated professional fees, fees payable to the relevant authorities and other miscellaneous expenses. An amount of RM0.60 million, RM0.20 million and RM0.20 million, respectively of the proceeds raised from the Rights Issue of ICULS, the Private Placement of Shares with Warrants and the Rights Issue of Shares with Warrants, will be used to settle the total estimated expenses of approximately RM1.00 million. Any surplus or shortfall of funds allocated for the payment of the estimated expenses will be adjusted accordingly from the working capital, as the case may be.

The breakdown of the estimated expenses in relation to the Rights Issue of ICULS is set out below:

| <i>Description</i> | <i>Estimated RM'000</i> |
|--|-----------------------------|
| <i>Professional fees</i> | <i>140</i> |
| <i>Regulatory fees payable to the relevant authorities</i> | <i>180</i> |
| <i>EGM, advertisement, printing and postage expenses</i> | <i>280</i> |
| Total | 600 |

For illustrative purposes, the maximum quantum of proceeds to be received by our Company pursuant to the full conversion of the ICULS (assuming by tendering one (1) ICULS plus cash option of RM0.90 for one (1) new Share) is approximately RM208.38 million.

Notwithstanding the above, the actual quantum of proceeds to be received by our Company pursuant to the conversion of all the ICULS is dependent upon the actual cash amount received in the conversion of the ICULS. Nevertheless, our Group intends to use such proceeds, if any for the working capital and future business expansion, the details of which has yet to be determined by our Board as at the LPD.

6. RATIONALE FOR THE RIGHTS ISSUES

The rationale for the Rights Issue of Shares with Warrants is as follows:-

- (i) to raise funds for our Group's working capital requirements without incurring interest cost as compared to other means of financing, such as bank borrowings;
- (ii) to strengthen its eventual capital base upon issuance of the Rights Shares and the exercise of the Warrants (if any);
- (iii) to raise funds to partially repay our Group's bank borrowings which will result in interest savings of up to approximately RM0.33 million per annum based on our Group's bank borrowings at an average interest rate of 5.49% per annum;
- (iv) the issuance of the new Shares would not dilute the percentage of shareholding of the existing shareholders, assuming that all our Entitled Shareholders fully subscribe for their respective entitlements; and
- (v) to provide our Entitled Shareholders with an option to further participate in the equity of our Company at a predetermined Exercise Price during the Exercise Period of the Warrants. Proceeds from the exercise of the Warrants, if any, will provide an additional source of funds to be used for future working capital and business expansion of our Group.

The rationale for the Rights Issue of ICULS is as follows:-

- (i) to provide an opportunity to our Entitled Shareholders to invest in the ICULS, which is a fixed income instrument by way of a fixed coupon rate payable during the tenure of the ICULS. This would also enable our Group to reduce its exposure to the volatility of floating interest rate debts. Most of the interest rate of our Group's bank borrowings are pegged to floating rates;

- (ii) to enable our Company to strengthen its eventual capital base upon full conversion of the ICULS;
- (iii) to raise funds for our Group's working capital purposes and to partially repay our Group's bank borrowings which will result in net interest savings of up to approximately RM0.05 million per annum based on our Group's bank borrowings at an average interest rate of 5.49% per annum as compared to the coupon rate of 4.6% per annum of the ICULS;
- (iv) the issuance of the ICULS would not dilute the percentage of shareholding of the existing shareholders, assuming that all our Entitled Shareholders fully subscribe for their respective entitlements and thereafter fully convert the ICULS;
- (v) the Rights ICULS do not have an immediate dilutive effect on the EPS of our Group as opposed to the issuance of new Shares; and
- (vi) to provide our Entitled Shareholders with an option to further participate in the equity of our Company at a predetermined Conversion Price during the tenure of the ICULS. Proceeds from the cash received from the conversion of the ICULS, if any, will provide an additional source of funds to be used for future working capital and business expansion of our Group.

7. RISK FACTORS

In addition to the other information contained herein, you should carefully consider the following risk factors (which may not be exhaustive) before making your decision on whether to subscribe for your entitlements to the Rights Shares with Warrants and/or the Rights ICULS:-

7.1 Risks relating to the operations and business of our Group

7.1.1 Business risks

Our Group is principally involved in the transportation services and forwarding services. Hence, our Group is subject to certain risks inherent in the logistic industry. Such risks include, *inter-alia*, the ability to obtain and/or renew the licenses necessary for the operation of our business, potential labour shortages, suitable insurance coverage for our assets, under-utilisation of existing assets, and the ability to procure and renew contracts with potential and existing customers at rates which are acceptable to our Group. The management had implemented measures, such as, ensuring that all licenses and insurance are renewed timely, institute customers relationship management to constantly meet the deliverables expectation of our customers to mitigate such risks. Notwithstanding that, there is no assurance that any future changes to these factors will not have an adverse effect on the operations of our Group.

7.1.2 Dependence on key management and skilled personnel

The continued success of our Group is dependent to a certain extent on the abilities and continued efforts of our existing Directors and senior management. The loss of any key members of our Board may adversely affect our Group's continued ability to stay competitive in this industry. However, our Group has implemented, amongst others, the ESOS for the benefit of eligible employees and Executive Directors within our Group with the view to retaining their services and encouraging them to improve their performance. Other incentives implemented to retain the key operational staff include offering competitive compensation packages, annual festive incentive payment based on overall Group performance and providing relevant training to staff.

Although our Group seeks to retain its key members of our Board, no assurance can be given that any changes in the management team structure will not have a material adverse effect on our Group's future performance.

7.1.3 Competition

Our Group is operating in a competitive logistics industry. Our competitors include both private and public listed companies in Malaysia. This may have an impact on our Group's ability to maintain or improve our existing market share as a result of, *inter-alia*, further consolidation amongst the large number of small operators.

In view of the competitive environment, our management had implemented the following to ensure its position as a total logistics solutions provider:

- (i) setting up a new division in 2011 to provide freighting services;
- (ii) acquisition of ten (10) cement trucks in the FYE 2012; and
- (iii) acquisition of the Land mentioned in Section 3 of this AP.

However, no assurance can be given that our Group will be able to resist the increasing competition arising from existing competitors, substitutes and/or potential new entrants to the industry.

7.1.4 Foreign exchange fluctuation risk

Our Group is exposed to foreign currency risk on minimal sales and purchases, advances that are denominated in a currency other than the respective functional currency of our Group entities. The currencies giving rise to this risk are primarily U.S. Dollar (USD) and Thai Baht (THB).

Our Group does not have significant exposure to foreign currency risk as our transactions and balances are substantially denominated in Ringgit Malaysia (RM). Our Group does not transact in derivative instruments.

7.1.5 Pricing and availability of fuel

Fuel cost, which is one of the major factors of our operations, represents a significant portion of our Group's expenditure, and is subject to fluctuations due to supply and demand in the market. The cost and availability of fuel are subject to various political and economic factors as well as events occurring in certain oil producing nations which may affect supply and increase in volatility in the purchase price of fuel.

While our Group does not practice an active hedging policy to mitigate the fluctuations in fuel costs, our Group seeks to mitigate the fluctuations in fuel costs which could have a material adverse effect on our Group's costs by passing on part of the increased cost to our clients, wherever possible.

7.1.6 Interest rate risks

Our Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short term receivables and payables are not significantly exposed to interest rate risk.

On a proforma basis, the partial repayment of our Group's bank borrowings up to RM3.00 million, RM6.00 million and RM6.00 million (based on Maximum Scenario) pursuant to Private Placement of Shares with Warrants, Rights Issue of Shares with Warrants and Rights Issue of ICULS, respectively are expected to contribute annual savings in interest payments of approximately RM0.82 million (based on the average interest rate of our Group of 5.49% per annum).

However, there is no assurance that any adverse movement in the interest rate on the remaining bank borrowings would not impact on the cash flows, financial and operational performance of our Group.

7.1.7 Credit risks

Our Group's exposure to credit risk arises principally from our receivables due from customers. Our Company's exposure to credit risk arises principally from loans and advances to subsidiaries.

Our Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 120 days, which are deemed to have higher credit risk, are monitored individually.

As at the LPD, there were no significant concentrations of credit risk other than amounts due from three customers totaling RM7,952,925, which represents approximately 40% of total receivables of our Group. Out of the total amount owing of RM7,952,925, approximately 44% is within the credit period of 60 days and the balance of 56% is for more than 60 days (of which approximately 23% of the amount owing is due from an associated company of SHCB and the balance of 33% is owing from third parties). The measures taken by our Company to address the collection include the instalment payment scheme agreed with customers and close monitoring by the credit control committee to ensure timely collection. These receivables are active customers of our Group and with ongoing business transactions.

There is no assurance that despite such measures undertaken by our Group, the risk of non-payment by our customers would still exist and should any debts become non-recoverable, it would have an adverse impact on our financial performance.

7.1.8 Liquidity and cash flow risks

Liquidity risk is the risk that our Group will not be able to meet its financial obligations as they fall due. Our Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

Our Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by our management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due. Notwithstanding that, no assurance can be given that adverse changes in such factors will not have an impact on the financial performance of our Group.

7.1.9 Licensing risks

Our Group's operations are administered under the jurisdictions of several authorities which respect to licensing and regulatory matters which include:

- (i) forwarding and shipping licences issued by the Royal Malaysian Customs ("Customs");
- (ii) warehouse licenses issued by Customs; and
- (iii) commercial vehicle licenses issued by Suruhanjaya Pengangkutan Awam Darat.

These licenses are renewable and are issued subject to the terms and conditions imposed by the relevant authorities.

There is no assurance that these licences, or any other licenses issued to our Group will be renewed by the respective authorities. In addition, if such licenses are not renewed in a timely manner, it may materially affect the operations and/or financial performance of our Group.

However, our Group seeks to limit this risk by maintaining strict compliance with the terms and conditions as set out in the licenses imposed by the respective authorities. To date, our Group has been able to renew the licenses to enable our Group to continue operating its business.

7.1.10 Political, economic and regulatory considerations

Our operations and financial performance may be adversely affected by unfavourable political, economic and regulatory developments. These factors include, but are not limited to risks of war, global economic downturn, changes in level of inflation, availability of capital from the capital market or banking system, fluctuation of foreign exchange rates, unfavourable changes in government policies such as changes in government's fiscal, monetary and regulatory policies, taxation and labour laws.

Whilst we strive to continue to take effective measures such as prudent financial management and efficient operating procedures, there is no assurance that adverse political, economic and regulatory factors would not adversely affect our business and financial performance in the future.

7.2 Risks relating to the Rights Issues

7.2.1 Investment risks

The market price of the Shares and other securities to be issued pursuant to the Rights Issues will be influenced by, amongst others, prevailing market sentiments, volatility of the stock market, the prospects and operating results of our Group and the future outlook of the logistic industry. Therefore, the future liquidity and trading volume of our Shares and other securities is unknown at this juncture.

The issue price of the Rights Shares, the exercise price of the Warrants and the conversion price of the ICULS were derived after taking into consideration of the par value of the Shares of RM1.00 each and the TERP of RM0.88 computed based on the 5-day VWAMP of the Shares up to and including 31 July 2012 (being the last Market Day prior to the announcement of the Corporate Exercises on 1 August 2012).

The market prices of the Warrants and the ICULS, like all listed securities traded on Bursa Securities, being new securities to be issued by our Company is subject to, *inter-alia*, price discovery by investors, fluctuations in tandem with the overall outlook of the stock market in Malaysia and globally, and will be influenced by, amongst others, the market price, future prospects of our Group, potential payments of dividends/interest and volatility of the Shares, the remaining Exercise Period of the Warrants and the remaining Conversion Period of the ICULS.

There is no assurance that the market price of the Rights Shares and/or Rights ICULS, upon or subsequent to their listing, will remain at or above the issue price, or that the Rights Shares and/or ICULS can be sold at or above the issue price. Also, there is no assurance that the Exercise Price of the Warrants and the Conversion Price of the ICULS will be in-the-money during the tenure of the Exercise Period of the Warrants and the Conversion Period of the ICULS, respectively.

7.2.2 Factors affecting the Warrants and/or ICULS

There is no prior market for the Warrants and/or ICULS, and as such there is no assurance that an active market for the Warrants and/or ICULS will develop upon their listing on the Main Market of Bursa Securities, or if developed, that such a market may not be sustained or adequately liquid during the tenure of the Warrants and/or ICULS.

Our Company believes that a variety of factors could cause the price of the Warrants and/or ICULS to fluctuate, perhaps substantially, including but not limited to trades of substantial amount of Warrants and/or ICULS in the public market in the future, fluctuation in the price of the underlying Shares, announcements of developments relating to our business and the future financial performance of our Group.

The future price performance of the Warrants and/or ICULS will also depend on various external factors, such as prospects of the logistic industry in which our Group operates, the economic, monetary and political conditions of the country and globally, outlook of interest rates, the sentiments and liquidity in the local stock market as well as the performance of regional and world bourses and other external environment affecting the economies.

Notwithstanding the above, it should be noted that our Group's financial performance is not dependent on the performance of the Shares, Warrants and the ICULS.

7.2.3 Unsecured obligations/repayment risks of the ICULS

The ICULS shall constitute direct, unsecured and unconditional obligation of our Company ranking *pari passu* amongst themselves and with all other subordinated and unsecured obligations of our Company, subject only to those preferred by mandatory provisions of law. Moving forward, there is no assurance that the financial performance of our Group would be profitable to sustain the financial condition of our Group at a satisfactory level to support the value of the ICULS and generate sufficient cash flows to service the coupon when due.

In the event of the ICULS becoming payable upon the occurrence of an event of default pursuant to the Trust Deed, the amount which is immediately due and payable by our Company to the holders of the ICULS shall be the nominal value of the outstanding ICULS.

Our Company will endeavour to ensure that we will maintain prudent cash flow management and monitor our cash flow position regularly to minimise the event of default. However, there is no assurance that our Company will generate sufficient cash flow to mitigate the payment risk of the coupon of the ICULS.

7.2.4 Delay in or abortion of the listing of and quotation for the Rights Shares, Warrants and Rights ICULS

There may be a delay in or abortion of the listing of and quotation for the Rights Shares, Warrants and Rights ICULS on the occurrence of force majeure events or events/circumstances which are beyond the control of our Group prior to the implementation of the Corporate Exercises.

Although our Company will exercise our best endeavour to ensure the successful listing of and quotation for the Rights Shares, Warrants and Rights ICULS, there can be no assurance that the above events will not occur and cause a delay in or even abortion of the listing of and quotation for the Rights Shares, Warrants and Rights ICULS.

In the event the listing of and quotation for the Rights Shares, Warrants and Rights ICULS are aborted, all subscription monies received pursuant to the Rights Issues will be refunded to our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable), who have subscribed for the Rights Shares with Warrants and/or the Rights ICULS, as the case may be.

7.2.5 Undertaking for the Rights Issues

As disclosed in Section 4 of this AP, Dato' Lee has provided his irrevocable written undertakings to subscribe for his Rights Shares entitlements and the requisite number of excess Rights Shares not subscribed by the other Entitled Shareholders in order to achieve the Minimum Subscription Level-Rights Shares. Dato' Lee and LHH have also provided their irrevocable written undertakings to subscribe for an aggregate amount of RM4,000,000 nominal value of the Rights ICULS to achieve the Minimum Subscription Level-Rights ICULS.

As the Rights Issues are being undertaken on a non-underwritten basis, in the event that the Rights Shares with Warrants and/or Rights ICULS are undersubscribed, the successful implementation of the Rights Issues is dependent upon Dato' Lee and LHH in fulfilling their obligations pursuant to the Rights Shares Undertaking and Rights ICULS Undertakings.

Although PIVB has verified and has procured confirmation that Dato' Lee and LHH have sufficient financial resources to honour their respective irrevocable written undertakings, there can be no assurance that the abovementioned factor will not cause a delay or failure in implementing the Rights Issues.

In the event that the Minimum Subscription Level-Rights Shares and/or Minimum Subscription Level-Rights ICULS are not achieved, our Company will not proceed with the implementation of the Private Placement of Shares with Warrants and the Rights Issues. All subscription monies received pursuant to the Private Placement of Shares with Warrants and the Rights Issues will be refunded without interest within fifteen (15) Market Days from the last date for acceptance and payment to our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable), who have subscribed for the Rights Shares with Warrants and/or the Rights ICULS as the case may be. If any such monies are not refunded within fifteen (15) Market Days from the last date for acceptance and payment for the Rights Shares with Warrants and/or the Rights ICULS, then such monies will be refunded with interest at the rate of ten percent (10.0%) per annum or at such other rate as may be prescribed by the SC from the expiration of that period.

8. EFFECTS OF THE CORPORATE EXERCISES

8.1 Share Capital

The proforma effects of the Corporate Exercises on the issued and paid-up share capital of our Company are as follows:-

| | Minimum Scenario ⁽¹⁾ | | Maximum Scenario ⁽²⁾ | |
|--|---------------------------------|-------------------|---------------------------------|--------------------|
| | No. of Shares | RM | No. of Shares | RM |
| As at the LPD | 41,267,600 | 41,267,600 | 41,267,600 | 41,267,600 |
| Assuming the full exercise of the ESOS Options | - | - | 5,040,000 | 5,040,000 |
| To be issued pursuant to the Private Placement of Shares with Warrants | 41,267,600 | 41,267,600 | 46,307,600 | 46,307,600 |
| | 5,600,000 | 5,600,000 | 5,600,000 | 5,600,000 |
| To be issue pursuant to the Rights Issue of Shares with Warrants | 46,867,600 | 46,867,600 | 51,907,600 | 51,907,600 |
| | 1,000,000 | 1,000,000 | 9,261,520 | 9,261,520 |
| To be issued pursuant to the full exercise of the Warrants | 47,867,600 | 47,867,600 | 61,169,120 | 61,169,120 |
| | 13,200,000 | 13,200,000 | 29,723,040 | 29,723,040 |
| To be issued pursuant to the full conversion of the ICULS | 61,067,600 | 61,067,600 | 90,892,160 | 90,892,160 |
| | 4,000,000 | 4,000,000 | 231,538,000 | 231,538,000 |
| Total enlarged issued and paid-up share capital | 65,067,600 | 65,067,600 | 322,430,160 | 322,430,160 |

Notes:

(1) It is assumed that the RM4,000,000 nominal value of the ICULS issued pursuant to the Rights Issue of ICULS are all converted into 4,000,000 new Shares by tendering ten (10) ICULS for one (1) new Share. In the event all the ICULS are converted by tendering one (1) ICULS and the balance amount paid in cash, a total of 40,000,000 new Shares will be issued.

(2) It is assumed that the RM23,153,800 nominal value of the ICULS issued pursuant to the Rights Issue of ICULS are all converted into 231,538,000 new Shares by tendering one (1) ICULS and the balance amount paid in cash for one (1) new Share. In the event all the ICULS are converted by tendering ten (10) ICULS for one (1) new Share, a total of 23,153,800 new Shares will be issued.

8.2 Gearing and NA

The proforma effects of the Private Placement of Shares with Warrants and the Rights Issues on the NA and gearing of our Group, based on the audited consolidated statement of financial position of our Company as at 31 March 2012 are as follows:-

Minimum Scenario

| | Audited as at 31 March 2012 RM'000 | Adjusted for Subsequent Event ⁽¹⁾ RM'000 | (I) After the Private Placement of Shares with Warrants RM'000 | (II) After (I) and the Rights Issue of Shares with Warrants RM'000 | (III) After (II) and the Rights Issue of ICULS RM'000 | (IV) After (III) and the full exercise of the Warrants RM'000 | (V) After (IV) and the full conversion of the ICULS ⁽⁴⁾ RM'000 |
|----------------------------------|---------------------------------------|--|--|--|---|---|---|
| Share capital | 41,268 | 41,268 | 46,868 | 47,868 | 47,868 | 61,068 | 65,068 |
| Share premium ⁽²⁾ | 2,397 | 2,397 | 2,197 | 1,997 | 1,397 | 3,723 | 3,723 |
| Share option reserve | 54 | 381 | 381 | 381 | 381 | 381 | 381 |
| Property revaluation reserve | 559 | 559 | 559 | 559 | 559 | 559 | 559 |
| Fair value reserve | (44) | (44) | (44) | (44) | (44) | (44) | (44) |
| ICULS equity portion | - | - | - | - | 3,422 | 3,422 | - |
| Accumulated losses | (3,562) | (3,889) | (5,863) | (6,215) | (6,215) | (6,215) | (6,215) |
| Warrant reserve ⁽³⁾ | - | - | 1,974 | 2,326 | 2,326 | - | - |
| Shareholders' fund/NA | 40,672 | 40,672 | 46,072 | 46,872 | 49,694 | 62,894 | 63,472 |
| Number of Shares in issue ('000) | 41,268 | 41,268 | 46,868 | 47,868 | 47,868 | 61,068 | 65,068 |
| NA per Share (RM) | 0.99 | 0.99 | 0.98 | 0.98 | 1.04 | 1.03 | 0.98 |
| Total borrowings | 42,100 | 42,100 | 39,100 | 38,500 | 35,871 | 35,871 | 35,100 |
| Gearing (times) | 1.04 | 1.04 | 0.85 | 0.82 | 0.72 | 0.57 | 0.55 |

Notes:

- (1) Adjusted for 1,634,000 additional options granted under the ESOS due to the subsequent event completed after 31 March 2012 up to the LPD and assuming the total fair value of the options is approximately RM0.33 million.
- (2) After deducting estimated expenses for the Private Placement of Shares with Warrants of RM0.2 million, Rights Issue of Shares with Warrants and Rights Issue of ICULS RM0.6 million, respectively against the share premium account.
- (3) For illustration purposes, the Warrants are assumed to have an adjusted fair value of RM0.176 each after taking into account the indicative fair value of the Warrants derived based on the Black-Scholes Option Pricing Model.
- (4) It is assumed that the RM4,000,000 nominal value of ICULS are converted into 4,000,000 new Shares by tendering ten (10) ICULS for one (1) new Share. In the event all the ICULS are converted by tendering one (1) ICULS and the balance amount paid in cash, a total of 40,000,000 new Shares will be issued.

Maximum Scenario

| | Audited as at 31 March 2012 | Adjusted for Subsequent Event ⁽¹⁾ | (I) Assuming full exercise of the ESOS Options | (II) After (I) and the Private Placement of Shares with Warrants | (III) After (II) and the Rights Issue of Shares with Warrants | (IV) After (III) and the Rights Issue of ICULS | (V) After (IV) and the full exercise of the Warrants | (VI) After (V) and the full conversion of the ICULS ⁽⁴⁾ |
|----------------------------------|-----------------------------|--|---|---|--|---|---|---|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Share capital | 41,268 | 41,268 | 46,308 | 51,908 | 61,169 | 61,169 | 90,892 | 322,430 |
| Share premium ⁽²⁾ | 2,397 | 2,397 | 2,807 | 2,607 | 2,407 | 1,807 | 7,045 | 7,045 |
| Share option reserve | 54 | 381 | - | - | - | - | - | - |
| Property revaluation reserve | 559 | 559 | 559 | 559 | 559 | 559 | 559 | 559 |
| Fair value reserve | (44) | (44) | (44) | (44) | (44) | (44) | (44) | (44) |
| ICULS equity portion | - | - | - | - | - | 19,807 | 19,807 | - |
| Accumulated losses | (3,562) | (3,889) | (3,918) | (5,892) | (9,156) | (9,156) | (9,156) | (9,156) |
| Warrant reserve ⁽³⁾ | - | - | - | 1,974 | 5,238 | 5,238 | - | - |
| Shareholders' fund/NA | 40,672 | 40,672 | 45,712 | 51,112 | 60,173 | 79,380 | 109,103 | 320,834 |
| Number of Shares in issue ('000) | 41,268 | 41,268 | 46,308 | 51,908 | 61,169 | 61,169 | 90,892 | 322,430 |
| NA per Share (RM) | 0.99 | 0.99 | 0.99 | 0.98 | 0.98 | 1.30 | 1.20 | 1.00 |
| Total borrowings | 42,100 | 42,100 | 42,100 | 39,100 | 33,100 | 31,562 | 31,562 | 27,100 |
| Gearing (times) | 1.04 | 1.04 | 0.92 | 0.76 | 0.55 | 0.40 | 0.29 | 0.08 |

Notes:

- (1) Adjusted for 1,634,000 additional options granted under the ESOS due to the subsequent event completed after 31 March 2012 up to the LPD and assuming the total fair value of the options is approximately RM0.33 million.
- (2) After deducting estimated expenses for the Private Placement of Shares with Warrants of RM0.2 million, Rights Issue of Shares with Warrants of RM0.2 million and Rights Issue of ICULS RM0.6 million, respectively against the share premium account.
- (3) For illustration purposes, the Warrants are assumed to have an adjusted fair value of RM0.176 each after taking into account the indicative fair value of the Warrants derived based on the Black-Scholes Option Pricing Model.
- (4) It is assumed that the RM23,153,800 nominal value of ICULS are converted into 231,538,000 new Shares by tendering one (1) ICULS and the balance amount paid in cash for one (1) new Share. In the event all the ICULS are converted by tendering ten (10) ICULS for one (1) new Share, a total of 23,153,800 new Shares will be issued.

8.3 Earnings and EPS

The Corporate Exercises are expected to be completed by the fourth (4th) quarter of 2012 and will not have a material impact on the earnings of our Group for the FYE 2013 save for as disclosed in the ensuing paragraphs.

Our Board expects the Private Placement of Shares with Warrants and the Rights Issues to contribute positively to the future earnings of our Group based on the utilisation of proceeds mainly for the repayment of bank borrowings and our Group's working capital purposes.

The utilisation of proceeds from the Private Placement of Shares with Warrants and the Rights Issues to partially repay our Group's borrowings is expected to result in net interest savings of up to approximately RM0.22 million per annum (based on the Minimum Scenario) and up to approximately RM0.54 million per annum (based on the Maximum Scenario), after taking into account the coupon rate of the ICULS of 4.6% per annum and the average interest rate of 5.49% per annum. The interest savings is earnings accretive and also improves the interest cover of our Group.

On a standalone basis, upon the completion of the Private Placement of Shares with Warrants and the Rights Issues, the EPS would be diluted as a result of the increase in the number of Shares arising from Private Placement of Shares with Warrants and the Rights Issue of Shares with Warrants as well as the full exercise of the Warrants and the full conversion of the ICULS into new Shares. However, the extent of dilution to the EPS is dependent on, amongst others, the utilisation of proceeds, actual number of Warrants exercised and ICULS converted at any point in time and the future earnings of our Group.

9. INDUSTRY OVERVIEW AND OUTLOOK AND FUTURE PROSPECTS OF OUR GROUP

9.1 Overview and outlook of the Malaysian economy

The global economic environment remained challenging in the second quarter, amidst heightened vulnerabilities in several key economies. Growth in the major advanced economies was weighed down by policy and domestic structural concerns. In Asia, economic activity was affected by weaker external demand. In spite of this challenging environment, the Malaysian economy recorded a higher growth of 5.4% (1Q 12: 4.9%), driven by stronger domestic demand, which rose by 13.8% (1Q 12: 9.7%). This was supported by robust growth in the expenditure of both the private and public sectors, while net exports moderated further due to weaker exports and higher imports. On the supply side, most major economic sectors continued to expand, led by the services, manufacturing and construction sectors.

Gross fixed capital formation recorded a stronger growth of 26.1% (1Q 12: 16.1%), amidst increased capital spending by both the private and public sectors. Private investment strengthened further, supported by investment in the domestic-oriented services sub-sectors, oil and gas and manufacturing industries. Expansion in public investment was driven by non-financial public enterprises' capital spending in the transportation, oil and gas and utilities sectors, as well as the Federal Government's development spending on transportation, trade and industry, public utilities and education.

Growth of private consumption registered a strong growth of 8.8% (1Q 12: 7.4%), supported by firm labour market conditions, robust income growth and improved consumer sentiment. In addition, Government initiatives such as financial assistance to the lower income households and FELDA settlers, as well as increases in the salaries and pensions of civil servants also supported the increase in spending. Public consumption increased by 9.4% (1Q 12: 7.3%), led by higher spending on emoluments and supplies and services.

For the Malaysian economy, the strong support provided by domestic demand, underpinned by activities in both the private and public sectors have ensured higher growth amidst the challenging global environment. This trend is expected to be sustained going forward, although downside risks emanating from external developments remain.

The Malaysian economy recorded a higher growth of 5.4% in the second quarter of 2012 (1Q 12: 4.9%), driven by a stronger expansion in domestic demand amid a further moderation in external demand. Both private and public sector spending, particularly on capital investment, recorded robust growth during the quarter. Nevertheless, exports of goods and services moderated further, attributable mainly to weaker demand from the advanced economies. As imports recorded higher growth due to continued expansion in capital and consumption imports in line with the stronger domestic demand, net exports contracted in the second quarter. On the supply side, almost all economic sectors continued to expand. The agriculture sector, however, contracted during the quarter due to lower production of crude palm oil.

Domestic demand recorded a higher growth of 13.8% in the second quarter of 2012 (1Q 12: 9.7%), attributable to the strong performance in investment and consumption activity by both the private and public sectors.

Development expenditure increased to RM10.3 billion (1Q 12: RM8.5 billion), which was mainly disbursed to various economic sectors. As a result, the Federal Government recorded a fiscal deficit of 3.4% of Gross Domestic Product (“GDP”) during the quarter (1Q 12: -2.6% of GDP). The deficit continued to be financed from domestic borrowings. As at end-June 2012, total outstanding debt of the Federal Government amounted to RM476.7 billion or 51.9% of the estimated 2012 GDP.

(Source: Bank Negara Malaysia 2nd Quarter Report 2012)

The vibrant domestic demand is expected to be sustained during the second half of 2012, supported by both public and private sectors amid conducive financial market conditions, stable prices, and a favourable labour market. Taking into account the downside risks emanating from the external sector and a resilient domestic economy, the real GDP is estimated to expand 4.5% - 5% in 2012 (2011: 5.1%).

(Source: Ministry of Finance, Economic Report 2012/2013)

9.2 Overview and outlook of the Malaysian logistics industry

In line with the moderation in trade and manufacturing-related activity, the transport and storage sub-sector recorded a more modest expansion. Demand for cargo-related transport services was lower amid the weakness in external demand.

The Government’s development expenditure in the economic sector was focused on improving transportation infrastructure public amenities, and enhancing the competitiveness of small and medium enterprises. As for the non-financial public enterprises, the increase in capital spending was mainly in the mining, transportation, utilities and communication sectors. The expansion of road, rail and air infrastructure was the main area of investment in the transportation sector.

(Source: Bank Negara Malaysia Annual Report, 2011)

9.3 Overview and outlook of the construction sector in Malaysia

The construction sector recorded a strong growth of 22.2% in the second quarter (1Q 12:15.5%), driven mainly by the civil engineering sub-sector. The pick-up in the civil engineering sub-sector was due to significant progress in infrastructure, utility and oil and gas projects such as the Second Penang Bridge, Seremban-Gemas Double Track, Janamanjung Power Plant, Sabah Oil and Gas Terminal and Melaka Regasification Terminal. The residential sub-sector continued to be underpinned by the construction of high-end residential properties while activity in the non-residential segment was supported by the construction of industrial buildings in the Samalaju Industrial Park in Sarawak.

(Source: Bank Negara Malaysia 2nd Quarter Report 2012)

The construction sector posted a strong growth of 18.9% during the first half of 2012, the fastest pace since 1995. This impressive performance was underpinned by robust construction activity in the civil engineering and residential subsectors. Reflecting the buoyant construction activities, the total value of construction works rose 24.6% to RM38.1 billion. For the year, the sector is expected to grow 15.5% contributing 0.5 percentage points to the overall GDP growth.

(Source: Ministry of Finance, Economic Report 2012/2013)

9.4 Prospects and outlook of our Group

Our Group has recorded loss before taxation of approximately RM13.3 million for the FYE 2012 mainly due to the impairment loss on trade receivables of approximately RM11.1 million and impairment loss on goodwill of approximately RM3.3 million. Our Group has taken legal action to recover the debts and our management had enhanced its credit management policies to minimise risk of incidence of bad debts. Our Group's prospects by major business segments are as detailed below:

(i) Transportation and logistics services

As disclosed in Section 3 of this AP, the acquisition of the Land, when completed, will see our Group having an additional vehicle depot located near Penang Port to complement its other existing depots. Hence, this is expected to improve the efficiency in our Group's management and monitoring of its fleet of lorries/trucks and reduce its operating cost moving forward.

In addition, our Group has enhanced its position as a total logistics solutions provider through the setup of a new division in 2011 to provide freighting (air & sea) services to our Group's customers mainly in the northern region. This new division serves to complement our Group's existing customs forwarding agent services. Moving forward, this new division will provide our Group with potential revenue growth as it will leverage on our existing network of customers to offer a more complete service as well as to secure new customers.

Further, the acquisition of ten (10) cement mixer trucks in the FYE 2012 is expected contribute positively to the revenue of our Group in the future given the positive outlook of the construction sector in Malaysia as set out in Section 9.3 of this AP.

Our Group is one of the bigger and established freight forwarding and transportation and logistics service providers in the northern region with more than 50 years of experience in these business segments. To enhance revenue growth, our Group would continue to:

- (i) expand its customers' base through more intense marketing and service differentiation;
- (ii) improve its service offerings to meet customers' expectation. The new division setup in 2011 is the result of such efforts by the management;
- (iii) explore new business opportunities in the transportation and logistics segments; and
- (iv) where necessary and feasible, our Group will increase the size of its current fleet comprising more than 300 lorries/trucks.

To face competition, our management would continue to explore areas where the operations can be further enhanced to be more cost effective and motivate the staff to continue to be dedicated to fulfil service deliverables expected by customers beside enhancing productivity through its talent retention policies.

Our management will focus on risks control measures to mitigate risks including implementing a more effective credit management policy to reduce the incidence of non-collection of trade receivables. In this respect, our Board will at its regular meetings, amongst others, focus and review the risk mitigating measures implemented by the management including reviewing the trade receivables position, collection efforts made and the performance of especially new accounts.

(ii) Trading

Our Group's existing trading business in general merchandise is mainly in relation to the trading of steel bars and general construction materials. Hence, the performance of our Group's trading segment is closely associated to that of the construction activities, mainly in Penang, which has been active mainly due to the construction works for the Second Penang Bridge, property and infrastructure development mainly in the residential segment. Our Group's trading business has reduced upon the completion of major construction works for the Second Penang Bridge. However, our Group will continue to build on its trading business when opportunities arise in view of the outlook of the construction sector in Malaysia as disclosed in Section 9.3 of this AP.

In addition to the above, our Group had during the FYE 2012, completed the acquisition of nine (9) parcels of lands which are all located in Mukim 14, District of Seberang Perai Tengah, Pulau Pinang, measuring in aggregate of 79,326.55 square meters. Presently, the land is partially rented out and it has future development potential and capital appreciation.

With the improved cash flows and enhanced balance sheet coupled with the reduced gearing after the completion of the Corporate Exercises, our Group is expected to be better positioned to embark on the aforementioned initiatives to enhance its future financial performance. Premised on the above, our Board is cautiously optimistic that the prospects of our Group would be satisfactory for the FYE 2013 and the FYE 2014.

10. WORKING CAPITAL, BORROWINGS, MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

10.1 Working capital

Our Board is of the opinion that after taking into account our Group's cash in hand, banking facilities available, the proceeds to be raised from the Corporate Exercises, our Group will have sufficient working capital for a period of twelve (12) months from the date of issue of this AP.

10.2 Borrowings

As at 31 October 2012, our Group's total borrowings are as follows:-

| | Short-term RM'000 | Long-term RM'000 | Total RM'000 |
|---|----------------------|---------------------|-----------------|
| Fixed rate interest-bearing borrowings* | 2,367 | 3,217 | 5,584 |
| Floating rate interest-bearing borrowings | 21,445 | 10,696 | 32,141 |
| Total | 23,812 | 13,913 | 37,725 |

Note:

* Interest rates ranging from 2.50% to 8.60% per annum.

All outstanding borrowings are interest-bearing and are denominated in RM. As at the LPD, our Group does not have any foreign currency borrowings.

There has been no default on payments of either interest and/or principal sums in respect of any borrowings throughout the past one (1) FYE and the subsequent financial period thereof, immediately preceding the LPD.

10.3 Material commitments and contingent liabilities

Save as disclosed below, there are no material commitments contracted or known to be contracted by our Group or contingent liabilities incurred or known to be incurred which, upon becoming enforceable, may have a substantial impact on the results or the financial position of our Group as at the LPD:-

Material commitments:

| | Group RM'000 |
|----------------------------------|-------------------------------|
| Contracted but not provided for: | |
| - Property, plant and equipment | 2,492 |

The above material commitments will be funded by internally generated funds and/or borrowings.

Contingent liabilities:

| | Company RM'000 |
|--|---------------------------------|
| Corporate Guarantee given to financial institutions for banking facilities granted to certain subsidiaries | 61,211 |

11. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION

If you are an Entitled Shareholder, please refer to Sections 11.1 and/or 11.2 for the procedures for acceptance and application for the Rights Issues.

11.1 Procedures for acceptance and application applicable to our Entitled Shareholders under the Rights Issues

As you are an Entitled Shareholder on the Entitlement Date for the Rights Issues, your CDS account(s) will be duly credited with the number of Provisional Rights Shares with Warrants and the Provisional Rights ICULS which you are entitled to subscribe for under the terms and conditions of the Rights Issues. You will find enclosed with this AP, the NPA notifying you of the crediting of such number of Provisional Rights Shares with Warrants and the crediting of such number of Provisional Rights ICULS into your CDS account(s) and the RSF to enable you to subscribe for such Rights Shares with Warrants and/or Rights ICULS that you have been provisionally allotted, as well as apply for the excess Rights Shares with Warrants and/or excess Rights ICULS if you choose to.

The Provisional Rights Shares with Warrants and the Provisional Rights ICULS are separately renounceable and as such, you may sell or transfer all or part of your rights entitlements to the Rights Shares with Warrants and/or Rights ICULS.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES WITH WARRANTS AND/OR THE PROVISIONAL RIGHTS ICULS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL OR TRANSFER ALL OR PART OF YOUR RIGHTS ENTITLEMENTS ARE SET OUT IN THIS AP AND THE ACCOMPANYING RSF.

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS AP, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY. THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED WITH THIS AP.

The Provisional Rights Shares with Warrants and the Provisional Rights ICULS are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the Provisional Rights Shares with Warrants and/or the Provisional Rights ICULS will be by book entries through CDS accounts and will be governed by the SICDA and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your renounee(s)/transferee(s) (if applicable) are required to have valid and subsisting CDS accounts when making applications.

11.1.1 Procedures for full acceptance and payment for the Rights Issues

Acceptance of and payment for the Provisional Rights Shares with Warrants and/or the Provisional Rights ICULS must be made on the RSF issued with this AP and completed in accordance to the notes and instructions printed in the RSF. At the absolute discretion of our Board, we may not accept acceptances which do not strictly conform to the terms of this AP or the RSF or the notes and instructions printed in these documents.

If you wish to accept all or part of the Provisional Rights Shares with Warrants and/or the Provisional Rights ICULS, please complete Part I (a) and/or Part I (b) and Part III of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF with the relevant payment must be despatched by ORDINARY POST, COURIER or DELIVERED BY HAND (at your own risk) to our Share Registrar for the Corporate Exercises, Plantation Agencies Sdn. Berhad, to the following addresses:-

Plantation Agencies Sdn. Berhad (2603-D)
3rd Floor, Standard Chartered Bank Chambers,
Lebuh Pantai,
10300 Pulau Pinang, Malaysia.

Tel: +604 - 2625 333 / 348

Fax: +604 - 2622 018

and should reach our Share Registrar not later than 5.00 p.m. on Friday, 14 December 2012, being the last date and time for acceptance and payment for the Rights Issues, or such later date and time as our Board may decide and announce not less than two (2) Market Days before the stipulated date and time.

If you lose, misplace or for any reason require another copy of the RSF, you and/or your renounee(s)/transferee(s) (if applicable) may obtain additional copies from your stockbrokers, our Share Registrar, our Registered Office or Bursa Securities' website (<http://www.bursamalaysia.com>).

You can use one (1) RSF for the acceptance of the Provisional Rights Shares with Warrants and/or the Provisional Rights ICULS standing to the credit of one (1) CDS account. Separate RSF must be used for the acceptance of the Provisional Rights Shares with Warrants and/or the Provisional Rights ICULS standing to the credit of more than one (1) CDS account. The Rights Shares with Warrants and/or Rights ICULS that you have subscribed will be credited into the respective CDS accounts where the Provisional Rights Shares with Warrants and/or the Provisional Rights ICULS are standing to the credit.

Any fractional entitlement under the Rights Issues shall be disregarded and the aggregate of such fractions, if any, shall be dealt with in such manner or on such terms as our Board may at its absolute discretion deem fit and expedient and in the best interest of our Company.

The free Warrants will be detached from the Rights Shares immediately upon issuance and traded separately on Bursa Securities.

Each completed RSF must be accompanied by remittance in RM for the full amount payable in the form of banker's draft(s) or cashier's order(s) or money order(s) or postal order(s) drawn on a bank or post office in Malaysia and should be made payable to "SHCB RIGHTS SHARES ACCOUNT" for the Rights Shares with Warrants and "SHCB RIGHTS ICULS ACCOUNT" for the Rights ICULS respectively. The banker's draft, cashier's order, money order or postal order should be crossed "ACCOUNT PAYEE ONLY" and also should be endorsed on the reverse side(s) with your name and address in block letters together with your CDS account number. Cheques or any other mode of payments are not acceptable. Details of remittance must be filled in the appropriate boxes provided in the RSF.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR RECEIPT OF THE RSF OR SUBSCRIPTION MONIES IN RESPECT OF THE RIGHTS ISSUES. NOTICES OF ALLOTMENT WILL BE DESPACHED TO THE SUCCESSFUL APPLICANTS BY ORDINARY POST AT THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF BURSA DEPOSITORY AT THEIR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS AND/OR RIGHTS ICULS, OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES. PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR OR OUR COMPANY.

YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

APPLICATION SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

WHERE AN APPLICATION IS NOT ACCEPTED OR ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE SUBSCRIPTION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPACHED TO YOU WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS AND/OR PAYMENT FOR THE RIGHTS ICULS BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF BURSA DEPOSITORY AT YOUR OWN RISK. IF ANY SUCH MONIES ARE NOT REFUNDED WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS AND/OR PAYMENT FOR THE RIGHTS ICULS, THEN SUCH SUBSCRIPTION MONIES WILL BE REFUNDED WITH INTEREST AT THE RATE OF TEN PERCENT (10.0%) PER ANNUM OR AT SUCH OTHER RATE AS MAY BE PRESCRIBED BY THE SC FROM THE EXPIRATION OF THAT PERIOD.

If the acceptance and payment for the Provisional Rights Shares with Warrants and/or the Provisional Rights ICULS are not received by our Share Registrar by 5.00 p.m. on Friday, 14 December 2012 or such later date and time as may be determined and announced by our Board, your and/or your renouneece(s)/transferee(s)' (if applicable) provisional entitlement under the Rights Issues will be deemed to have been declined and will be cancelled.

Such Provisional Rights Shares with Warrants and/or the Provisional Rights ICULS not taken up will be allotted to applicants for the excess Rights Shares with Warrants and/or excess Rights ICULS in the manner as set out in Section 11.1.4 of this AP.

11.1.2 Procedures for part acceptance for the Rights Issues

You can accept part of your entitlement for the Rights Issues. Should you wish to secure two (2) free Warrants from your subscription of your entitlement, the minimum number of Rights Shares with Warrants that can be accepted is one (1) Rights Share with two (2) free Warrants and/or the minimum number of Rights ICULS that can be accepted is five (5) Rights ICULS.

If you wish to accept part of your Provisional Rights Shares with Warrants and/or the Provisional Rights ICULS, please complete Part I (a) and/or Part I (b) of the RSF by specifying the number of Rights Shares with Warrants and/or Rights ICULS to which you are accepting and Part III of the RSF, and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the same manner as set out in Section 11.1.1 of this AP.

11.1.3 Procedures for sale/transfer of the Provisional Rights Shares with Warrants and/or the Provisional Rights ICULS

The Provisional Rights Shares with Warrants and the Provisional Rights ICULS are renounceable. If you wish to sell or transfer all or part of your Provisional Rights Shares with Warrants and/or the Provisional Rights ICULS to one (1) or more persons, you may do so through your stockbroker without first having to request for a split of the Provisional Rights Shares with Warrants and/or the Provisional Rights ICULS standing to the credit of your CDS account(s). To sell or transfer all or part of your entitlement to the Provisional Rights Shares with Warrants and/or the Provisional Rights ICULS, you may sell such entitlement in the open market or transfer such provisional allotments to such person(s) as may be allowed pursuant to the Rules of Bursa Depository.

In selling or transferring all or part of your Provisional Rights Shares with Warrants and/or the Provisional Rights ICULS, you need not deliver the RSF or any document to the stockbroker. **You are however advised to ensure that there is sufficient Provisional Rights Shares with Warrants and/or the Provisional Rights ICULS standing to the credit of your CDS account(s) before selling or transferring.**

If you have sold or transferred only part of the Provisional Rights Shares with Warrants and/or the Provisional Rights ICULS, you may still accept the balance of the Provisional Rights Shares with Warrants and/or the balance of the Provisional Rights ICULS by completing Part I (a) and/or Part I (b) and Part III of the RSF and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manner as set out in Section 11.1.1 of this AP.

If you sell or transfer all or part of your Provisional Rights Shares with Warrants and/or the Provisional Rights ICULS, you will automatically be selling or transferring your entitlements to all or part of your Rights Shares with Warrants and/or Rights ICULS, as the case may be.

11.1.4 Procedures for excess Rights Shares with Warrants and/or excess Rights ICULS application

If you wish to apply for excess Rights Shares with Warrants and/or excess Rights ICULS in excess of your entitlement, you should complete Part II (a) – application for excess Right Shares with Warrants and/or Part II (b) – application for excess Rights ICULS of the RSF (in addition to Part I (a) and/or Part I (b) and Part III) and forward it together with a separate remittance for the full amount payable in respect of the excess Rights Shares with Warrants and/or excess Rights ICULS applied for, to our Share Registrar not later than 5.00 p.m. on Friday, 14 December 2012, being the last date and time for acceptance and payment or such later date and time as our Board may decide and announce not less than two (2) Market Days before the stipulated date and time.

Payment for the excess Rights Shares with Warrants and/or excess Rights ICULS should be made in the same manner as described in Section 11.1.1 of this AP, with remittance in the form of banker's draft(s) or cashier's order(s) or money order(s) or postal order(s) drawn on a bank or post office in Malaysia and crossed "ACCOUNT PAYEE ONLY" and made payable to "SHCB EXCESS RIGHTS SHARES ACCOUNT" for the excess Rights Shares with Warrants and "SHCB EXCESS RIGHTS ICULS ACCOUNT" for the excess Rights ICULS and endorsed on the reverse side(s) with your name and address in block letters together with your CDS account number.

Our Board reserves the right to allot the excess Rights Shares with Warrants and/or excess Rights ICULS, if any, applied for under Part II of the RSF on a fair and equitable basis as they deem fit and expedient in the best interest of our Company. Our Board reserves the right to accept any excess Rights Shares with Warrants and/or excess Rights ICULS application in part only, without assigning any reason thereto. The basis of allotment of the excess Rights Shares with Warrants and/or excess Rights ICULS are as follows:-

- (i) firstly, the incidence of odd lots will be minimised; and
- (ii) in the event of over subscription, the following shall take effect:-
 - (a) secondly, the Rights Shares with Warrants and/or Rights ICULS will be allotted to our Entitled Shareholders who have applied for the excess Rights Shares with Warrants and/or excess Rights ICULS on a pro-rata basis and in board lot, based on their shareholdings in our Company on the Entitlement Date;
 - (b) thirdly, after the occurrence of (i) and (ii)(a) above, our Company will allocate the Rights Shares with Warrants and/or Rights ICULS to our Entitled Shareholders who have applied for the excess Rights Shares with Warrants and/or excess Rights ICULS on a pro-rata basis, calculated based on the amount of their application to the total quantum of the excess Rights Shares with Warrants and/or excess Rights ICULS applied for; and
 - (c) fourthly, after the occurrence of (i), (ii)(a) and (ii)(b) above, our Company will allocate the Rights Shares with Warrants and/or Rights ICULS to the renounee(s)/transferee(s) who have applied for the excess Rights Shares with Warrants and/or excess Rights ICULS on a pro-rata basis, calculated based on the amount of their application to the total quantum of the excess Rights Shares with Warrants and/or excess Rights ICULS applied for.

In the event of an under subscription by our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable), even after all excess Rights Shares with Warrants and/or excess Rights ICULS applications have been taken into consideration, the remaining unsubscribed Rights Shares with Warrants and the Rights ICULS will be subscribed by certain shareholders as set out in Section 4 of this AP.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR RECEIPT OF THE RSF OR SUBSCRIPTION MONIES IN RESPECT OF THE EXCESS RIGHTS SHARES WITH WARRANTS AND/OR EXCESS RIGHTS ICULS. NOTICES OF ALLOTMENT WILL BE DESPATCHED TO THE SUCCESSFUL APPLICANTS BY ORDINARY POST AT THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF BURSA DEPOSITORY AT THEIR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS AND/OR EXCESS RIGHTS ICULS, OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES WITH WARRANTS AND/OR EXCESS RIGHTS ICULS APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES WITH WARRANTS AND/OR EXCESS RIGHTS ICULS APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS MONIES (AS THE CASE MAY BE) WILL BE REFUNDED WITHOUT INTEREST WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS AND/OR EXCESS RIGHTS ICULS BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF BURSA DEPOSITORY AT YOUR OWN RISK. IF ANY SUCH MONIES ARE NOT REFUNDED WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS AND/OR EXCESS RIGHTS ICULS, THEN SUCH SUBSCRIPTION MONIES WILL BE REFUNDED WITH INTEREST AT THE RATE OF TEN PERCENT (10.0%) PER ANNUM OR AT SUCH OTHER RATE AS MAY BE PRESCRIBED BY THE SC FROM THE EXPIRATION OF THAT PERIOD.

11.1.5 Procedures to be followed by renouncee(s)/transferee(s)

A renouncee/transferee who wishes to apply for the Provisional Rights Shares with Warrants and/or the Provisional Rights ICULS or the excess Rights Shares with Warrants and/or excess Rights ICULS must obtain a copy of this AP and the RSF from their stockbrokers, our Share Registrar for the Corporate Exercises, our Registered Office or Bursa Securities' website (<http://www.bursamalaysia.com>).

The procedures and payment for the acceptance of the Provisional Rights Shares with Warrants and/or the Provisional Rights ICULS and the excess Rights Shares with Warrants and/or excess Rights ICULS by the renouncee(s)/transferee(s) are the same as those applicable to you as described in Sections 11.1.1 and 11.1.4, respectively, of this AP.

RENOUNCEES/TRANSFEREES ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

11.2 Form of issuance

Bursa Securities has already prescribed the securities of our Company listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, all dealings in respect of the Rights Shares with Warrants and/or Rights ICULS are subject to the SICDA and the Rules of Bursa Depository. You must have a CDS account in order to subscribe for the Rights Shares with Warrants and/or Rights ICULS.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS account number may result in the application being rejected.

No physical share, warrant and ICULS certificates will be issued. The Rights Shares with Warrants and/or Rights ICULS will be credited directly into your CDS account(s) and the notice of allotment will be despatched by ordinary post at your address shown in the Record of Depositors of Bursa Depository at your own risk within eight (8) Market Days from the last date for acceptance and payment for the Rights Shares with Warrants and/or Rights ICULS.

If you have multiple CDS accounts into which the Provisional Rights Shares with Warrants and/or the Provisional Rights ICULS have been credited, you cannot use a single RSF for subscription of all these Provisional Rights Shares with Warrants and/or the Provisional Rights ICULS, respectively. Separate RSF must be used for each separate CDS account. If successful, the Rights Shares with Warrants and/or Rights ICULS that you subscribed for will be credited into the CDS accounts where the Provisional Rights Shares with Warrants and/or the Provisional Rights ICULS are standing to the credit.

11.2.1 Subscription of the Rights Shares with Warrants and/or Rights ICULS by an Entitled Shareholder

Your subscription for the Rights Shares with Warrants and/or Rights ICULS shall mean that you consent to receive such Rights Shares with Warrants and/or Rights ICULS as prescribed or deposited securities which will be credited directly into your CDS account. Hence, the Rights Shares with Warrants and/or Rights ICULS will be credited directly into your CDS account upon allotment and issue.

11.2.2 Subscription of the Rights Shares with Warrants and/or Rights ICULS by renounee(s)/transferee(s)

If you intend to subscribe for the Rights Shares with Warrants and/or Rights ICULS, you must state your CDS account number in the RSF whereupon your Rights Shares with Warrants and/or Rights ICULS will be credited directly as prescribed or deposited securities into your CDS account(s) upon allotment and issue.

11.2.3 Application for the excess Rights Shares with Warrants and/or excess Rights ICULS by an Entitled Shareholder and/or his renounee(s)/transferee(s) (if applicable)

If you are successful in applying for the excess Rights Shares with Warrants and/or excess Rights ICULS, such Rights Shares with Warrants and/or Rights ICULS will be credited directly as prescribed securities into your CDS account(s) upon allotment and issue. The allocation of excess Rights Shares with Warrants and/or the excess Rights ICULS will be made on a fair and equitable basis as set out in Section 11.1.4 of this AP.

11.3 Laws of foreign jurisdictions

The Documents have not been (and will not be) made to comply with the laws of any foreign jurisdiction, and have not been (and will not be) lodged, registered or approved under any legislation of (or with or by any regulatory authorities or other relevant bodies of) any foreign jurisdiction, and the Rights Issues will not be made or offered in any foreign jurisdiction. The Documents will not be sent to shareholders without an address in Malaysia.

Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) may accept or renounce (as the case may be) all or part of their entitlements and exercise any other rights in respect of the Rights Issues only to the extent that it would be lawful to do so. Foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable), shall be solely responsible to seek advice as to the laws of the jurisdictions to which they are or may be subjected to. PIVB, our Company, our Board and our officers and other experts shall not accept any responsibility or liability in the event that any acceptance and/or renunciation made by any foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable), is or shall become illegal, unenforceable, voidable or void in any such jurisdiction.

Further, foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in the foreign jurisdictions and we shall be entitled to be fully indemnified and held harmless by such foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) for any issue, transfer or any other taxes or other requisite payments as such person may be required to pay. They will have no claims whatsoever against PIVB, our Company, our Board and our officers and other experts in respect of their rights or entitlements under the Rights Issues.

Such foreign Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issues.

Persons receiving the Documents (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any foreign jurisdiction. If the Documents are received by any persons in such jurisdiction, or by the agent or nominee of such a person, he or she must not seek to accept the offer unless he or she has complied with and observed the laws of the relevant jurisdiction in connection therewith. Any person who does forward the Documents to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and our Company reserves the right to reject a purported acceptance of the Rights Shares with Warrants and/or Rights ICULS from any such application by foreign Entitled Shareholder and/or his renouncee(s)/transferee(s) (if applicable) in any jurisdiction other than Malaysia.

Our Company reserves the right, in our absolute discretion, to treat any acceptance of the Rights Shares with Warrants and/or Rights ICULS as invalid if we believe that such acceptance may violate any applicable legal or regulatory requirements in Malaysia or other jurisdictions.

By signing any of the forms accompanying this AP, the foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) PIVB, our Company, our Board and our officers and other experts that:-

- (i) we would not, by acting on the acceptance and/or renunciation in connection with the Rights Issues, be in breach of the laws of any jurisdiction to which that foreign Entitled Shareholder and/or his renouncee(s)/transferee(s) (if applicable) is or may be subjected to;
- (ii) the foreign Entitled Shareholder and/or his renouncee(s)/transferee(s) (if applicable) has complied with the laws to which the foreign Entitled Shareholder and/or his renouncee(s)/transferee(s) (if applicable) is or may be subjected to in connection with the acceptance and/or renunciation;
- (iii) the foreign Entitled Shareholder and/or his renouncee(s)/transferee(s) (if applicable) is not a nominee or agent of a person in respect of whom we would, by acting on the acceptance and/or renunciation, be in breach of the laws of any jurisdiction to which that person is or may be subjected to;
- (iv) the foreign Entitled Shareholder and/or his renouncee(s)/transferee(s) (if applicable) is aware that the Rights Shares with Warrants and/or Rights ICULS can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) the foreign Entitled Shareholder and/or his renouncee(s)/transferee(s) (if applicable) has received a copy of this AP and has had access to such financial and other information and has been afforded the opportunity to ask such questions to the representatives of our Company and receive answers thereto as the foreign Entitled Shareholder and/or his renouncee(s)/transferee(s) (if applicable) deems necessary in connection with the foreign Entitled Shareholder's and/or his renouncee's/transferee's (if applicable) decision to subscribe for or purchase the Rights Shares with Warrants and/or Rights ICULS; and
- (vi) the foreign Entitled Shareholder and/or his renouncee(s)/transferee(s) (if applicable) has sufficient knowledge and experience in financial business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares with Warrants and/or Rights ICULS, and is and will be able, and is prepared to bear the economic and financial risks of investing in and holding the Rights Shares with Warrants and/or Rights ICULS.

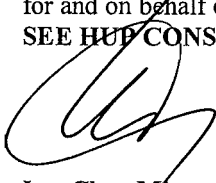
12. TERMS AND CONDITIONS

The issuance of the Rights Shares with Warrants and/or Rights ICULS under the Rights Issues are governed by the terms and conditions as set out in the Documents.

13. ADDITIONAL INFORMATION

You are requested to refer to the attached appendices for further information.

Yours faithfully,
for and on behalf of our Board
SEE HUP CONSOLIDATED BERHAD



Lee Chor Min
Group Managing Director

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE RIGHTS ISSUES PASSED AT OUR EGM ON 9 NOVEMBER 2012

SEE HUP CONSOLIDATED BERHAD (391077-V)

CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTIONS PERTAINING TO THE PROPOSED RIGHTS ISSUE OF SHARES WITH WARRANTS AND PROPOSED RIGHTS ISSUE OF ICULS PASSED AT OUR EGM HELD ON 9 NOVEMBER 2012.

Extract of the Minutes of the Extraordinary General Meeting of See Hup Consolidated Berhad ("SHCB" or the "Company") held at Georgetown City Hotel, Berjaya Room 1 (Level 7), 1-Stop Midlands Park, Jalan Burmah, 10350 Penang on Friday, 9 November 2012 at 10:30 a.m.

2. Ordinary Resolution 2

Proposed renounceable rights issue of up to 9,261,520 new shares ("rights shares") together with up to 18,523,040 free warrants at an issue price of RM1.00 per rights shares on the basis of one (1) rights share together with two (2) free warrants for every five (5) existing shares held, based on a minimum subscription level of 1,000,000 rights shares together with 2,000,000 free warrants, on an entitlement date to be determined and announced later ("proposed rights issue of shares with warrants")

- 2.3 Chairman put the motion to vote by a show of hands and declared that the motion for the proposed rights issue of shares with warrants was carried and that the shareholders resolved as follows:

"THAT, subject to the passing of Special Resolution 1, Special Resolution 2, Ordinary Resolution 1 and Ordinary Resolution 3 and the approvals of all relevant authorities including the approval-in-principle of Bursa Securities for the admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the Rights Shares, Warrants and the new Shares to be issued arising from the exercise of the free Warrants pursuant to this Resolution, approval be and is hereby given to the Directors of the Company to:

- (i) provisionally allot and issue by way of renounceable rights issue of up to 9,261,520 Rights Shares together with up to 18,523,040 free Warrants at an issue price of RM1.00 per Rights Share on the basis of one (1) Rights Share together with two (2) free Warrants for every five (5) existing Shares held on an entitlement date to be determined and announced later;
- (ii) deal with fractional entitlements under the Proposed Rights Issue of Shares with Warrants arising from any reason whatsoever as the Directors may at its absolute discretion deem fit and expedient and in the best interest of the Company;
- (iii) deal with the excess Rights Shares not subscribed by the other entitled shareholders in the manner as detailed in Section 2.2.1 of the Circular;
- (iv) utilise the proceeds to be derived from the Proposed Rights Issue of Shares with Warrants in the manner as set out in Section 2.2.6 of the Circular and the Directors of the Company be and are hereby authorised to revise the manner and purpose of utilisation of proceeds as they may deem fit and expedient in the best interest of the Company subject (where required) to the approval of the relevant authorities;
- (v) create and issue the Warrants at the exercise price of RM1.00 per Warrant for one (1) new Share, (or such price adjusted in accordance with the Deed Poll) based on the indicative principal terms as set out in Appendix I of the Circular and the terms and conditions of a Deed Poll to be executed by the Company;
- (vi) allot and issue such further free Warrants as may be required or permitted to be issued as a result of any adjustments under the provisions of the Deed Poll;
- (vii) allot and issue new Shares pursuant to the exercise of the free Warrants (including further free Warrants arising from any adjustments under the provisions of the Deed Poll); and

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE RIGHTS ISSUES PASSED AT OUR EGM ON 9 NOVEMBER 2012 (Cont'd)

SEE HUP CONSOLIDATED BERHAD (391077-V)

CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTIONS PERTAINING TO THE PROPOSED RIGHTS ISSUE OF SHARES WITH WARRANTS AND PROPOSED RIGHTS ISSUE OF ICULS PASSED AT OUR EGM HELD ON 9 NOVEMBER 2012.

Extract of the Minutes of the Extraordinary General Meeting of See Hup Consolidated Berhad ("SHCB" or the "Company") held at Georgetown City Hotel, Berjaya Room 1 (Level 7), 1-Stop Midlands Park, Jalan Burmah, 10350 Penang on Friday, 9 November 2012 at 10:30 a.m.

- (viii) enter into and execute the Deed Poll constituting the Warrants and to do all acts, deed and things as Directors of the Company may deem fit or expedient in order to implement, finalise and give effect to the Deed Poll.

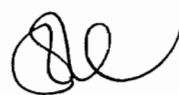
THAT such Rights Shares and the new Shares to be issued pursuant to the full exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Shares except that they will not be entitled to any dividends, rights, allotments and/or distributions, that may be declared, made or paid prior to the date of allotment of the Rights Shares or the new Shares to be issued arising from the exercise of the free Warrants.

AND THAT the Directors of the Company be and are hereby empowered and authorised to do all such acts, deeds and things to execute, sign and deliver on behalf of the Company all such documents and enter into any arrangements, agreements and/or undertakings with any party or parties as they may deem fit, necessary or expedient or appropriate in order to implement, finalise and/or give full effect to the Proposed Rights Issue of Shares with Warrants with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be required by the relevant authorities or deemed necessary by the Directors in the best interest of the Company."

Certified true copy



Lee Chor Min
Group Managing Director



Ong Tze-En (MAICSA 7026537)
Joint Company Secretary

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE RIGHTS ISSUES PASSED AT OUR EGM ON 9 NOVEMBER 2012 (Cont'd)

SEE HUP CONSOLIDATED BERHAD (391077-V)

CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTIONS PERTAINING TO THE PROPOSED RIGHTS ISSUE OF SHARES WITH WARRANTS AND PROPOSED RIGHTS ISSUE OF ICULS PASSED AT OUR EGM HELD ON 9 NOVEMBER 2012.

Extract of the Minutes of the Extraordinary General Meeting of See Hup Consolidated Berhad ("SHCB" or the "Company") held at Georgetown City Hotel, Berjaya Room 1 (Level 7), 1-Stop Midlands Park, Jalan Burmah, 10350 Penang on Friday, 9 November 2012 at 10:30 a.m.

3. Ordinary Resolution 3

Proposed renounceable rights issue of up to RM23,153,800 nominal value of 5-year, 4.6%, irredeemable convertible unsecured loan stocks ("ICULS") at 100% of the nominal value of RM0.10 each ("rights ICULS") on the basis of RM1.00 nominal value of the rights ICULS for every two (2) existing shares held, based on a minimum subscription level of RM4,000,000 nominal value of rights ICULS on an entitlement date to be determined and announced later ("proposed rights issue of ICULS")

- 3.3 Chairman put the motion to vote by a show of hands and declared that the motion for the proposed rights issue of ICULS was carried and that the shareholders resolved as follows:

"THAT, subject to the passing of Special Resolution 1, Special Resolution 2, Ordinary Resolution 1 and Ordinary Resolution 2 and the approvals of all relevant authorities including the Securities Commission Malaysia for the approval for the issuance of the ICULS, the approval-in-principle of Bursa Securities for the admission of the ICULS to the Official List of Bursa Securities and the listing of and quotation for the ICULS and the new Shares arising from the conversion of the ICULS pursuant to this Resolution, approval be and is hereby given to the Directors of the Company to:

- (i) provisionally allot and issue by way of renounceable rights issue of up to RM23,153,800 nominal value of Rights ICULS at an issue price at 100% of the nominal value of RM0.10 per Rights ICULS on the basis of RM1.00 nominal value of Rights ICULS held on an entitlement date to be determined and announced later, to disregard fractional entitlements under the Proposed Rights Issue of ICULS and to deal with the aggregate of such fractions as the Directors of the Company may at their absolute discretion deem fit and expedient and in the best interest of the Company and to deal with the excess Rights ICULS not subscribed by the other entitled shareholders in the manner as detailed in Section 2.3.1 of the Circular, **AND THAT** the Rights ICULS so allotted and issued to the shareholders shall rank *pari passu* in all respects with the then all other unsubordinated and unsecured obligations of the Company subject only to those preferred by mandatory provisions of law;
- (ii) utilise the proceeds to be derived from the Proposed Rights Issue of ICULS in the manner as set out in Section 2.3.6 of the Circular and the Directors of the Company be and are hereby authorised to revise the manner and purpose of utilisation of proceeds as they may deem fit and expedient in the best interest of the Company subject (where required) to the approval of the relevant authorities;
- (iii) create and issue the ICULS at the conversion price of RM1.00 for every one (1) new Share, (or such price adjusted in accordance with the Deed Poll) based on the indicative principal terms as set out in Appendix II of the Circular and the terms and conditions of a trust deed to be executed by the Company constituting the ICULS ("**Trust Deed**");
- (iv) allot and issue new Shares pursuant to the conversion of the ICULS (including further ICULS arising from any adjustments under the provisions of the Trust Deed); and
- (v) enter into and execute the Trust Deed constituting the ICULS and to do all acts, deed and things as Directors of the Company may deem fit or expedient in order to implement, finalise and give effect to the Trust Deed.

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE RIGHTS ISSUES PASSED AT OUR EGM ON 9 NOVEMBER 2012 (*Cont'd*)

SEE HUP CONSOLIDATED BERHAD (391077-V)

CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTIONS PERTAINING TO THE PROPOSED RIGHTS ISSUE OF SHARES WITH WARRANTS AND PROPOSED RIGHTS ISSUE OF ICULS PASSED AT OUR EGM HELD ON 9 NOVEMBER 2012.

Extract of the Minutes of the Extraordinary General Meeting of See Hup Consolidated Berhad ("SHCB" or the "Company") held at Georgetown City Hotel, Berjaya Room 1 (Level 7), 1-Stop Midlands Park, Jalan Burmah, 10350 Penang on Friday, 9 November 2012 at 10:30 a.m.

THAT such new Shares to be issued pursuant to the full conversion of the ICULS shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Shares except that they will not be entitled to any dividends, rights, allotments and/or distributions, that may be declared, made or paid prior to the date of allotment of these new Shares.

AND THAT the Directors of the Company be and are hereby empowered and authorised to do all such acts, deeds and things to execute, sign and deliver on behalf of the Company all such documents and enter into any arrangements, agreements and/or undertakings with any party or parties as they may deem fit, necessary or expedient or appropriate in order to implement, finalise and/or give full effect to the Proposed Rights Issue of ICULS with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be required by the relevant authorities or deemed necessary by the Directors in the best interest of the Company."

Certified true copy



Lee Chor Min
Group Managing Director



Ong Tze-En (MAICSA 7026537)
Joint Company Secretary

INFORMATION ON OUR COMPANY

1. HISTORY AND BUSINESS

Our Company was incorporated in Malaysia under the Act on 19 June 1996 as a private limited company under the name of See Hup Consolidated Sdn Bhd. On 22 July 1996, our Company was converted into a public company and assumed the present name of See Hup Consolidated Berhad. We were listed on the Second Board of the then Kuala Lumpur Stock Exchange (amalgamated with the Main Board of the Kuala Lumpur Stock Exchange and now known as the Main Market of Bursa Securities) on 13 February 1998.

2. PRINCIPAL ACTIVITIES

The principal activity of our Company is investment holding. The principal activities of our subsidiaries and associated company are set out in Section 6 of this Appendix.

3. SHARE CAPITAL

The authorised and issued and paid-up share capital of our Company as at the LPD are as follows:-

| Type | No. of Shares | Par value RM | Amount RM |
|--------------------|---------------|-----------------|----------------|
| Authorised | 500,000,000 | 1.00 | 500,000,000.00 |
| Issued and paid-up | 41,267,600 | 1.00 | 41,267,600.00 |

On 9 November 2012, our authorised share capital has been increased from RM50,000,000 comprising 50,000,000 Shares to RM500,000,000 comprising 500,000,000 Shares.

The changes in the issued and paid-up share capital of our Company for the last three (3) years are as follows:

| Date issued | No. of SHCB Shares Allotted | Par Value (RM) | Type of Issue/Consideration | Cumulative Issued and Paid-Up Ordinary Share Capital (RM) |
|-----------------------|-----------------------------|----------------|---|---|
| As at 27 October 2010 | | | | 40,127,600.00 |
| 28 October 2010 | 550,000 | 1.00 | Exercise of options under the SHCB ESOS | 40,677,600.00 |
| 01 April 2011 | 590,000 | 1.00 | Exercise of options under the SHCB ESOS | 41,267,600.00 |

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INFORMATION ON OUR COMPANY (Cont'd)

4. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The shareholdings of the Substantial Shareholders of our Company as at the LPD and the proforma effects of the Corporate Exercises are set out below.

Minimum Scenario

| Substantial Shareholders | As at the LPD | | | | (I) Private Placement of Shares with Warrants | | | | (II) After (I) and Rights Issue of Shares with Warrants | | | |
|--------------------------------|---------------|-------|---------------------------|-------|---|-------|---------------------------|-------|---|-------|---------------------------|-------|
| | Direct | | Indirect | | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| Hean Brothers Holdings Sdn Bhd | 8,320,594 | 20.16 | - | - | 8,320,594 | 17.75 | - | - | 8,320,594 | 17.38 | - | - |
| Dato' Lee LHH | 4,246,465 | 10.29 | 11,353,964 ⁽¹⁾ | 27.51 | 4,246,465 | 9.06 | 11,353,964 ⁽¹⁾ | 24.22 | 5,246,465 | 10.96 | 11,353,964 ⁽¹⁾ | 23.72 |
| Lee Hean Beng | 581,330 | 1.41 | 8,320,594 ⁽²⁾ | 20.16 | 581,330 | 1.24 | 8,320,594 ⁽²⁾ | 17.75 | 581,330 | 1.21 | 8,320,594 ⁽²⁾ | 17.38 |
| Lee Hean Teik | 50,000 | 0.12 | 8,320,594 ⁽²⁾ | 20.16 | 50,000 | 0.11 | 8,320,594 ⁽²⁾ | 17.75 | 50,000 | 0.10 | 8,320,594 ⁽²⁾ | 17.38 |
| Lee Hean Seng | 446,890 | 1.08 | 8,320,594 ⁽²⁾ | 20.16 | 446,890 | 0.95 | 8,320,594 ⁽²⁾ | 17.75 | 446,890 | 0.93 | 8,320,594 ⁽²⁾ | 17.38 |
| LHG Holdings Sdn Bhd | 412,405 | 1.00 | 8,320,594 ⁽²⁾ | 20.16 | 412,405 | 0.88 | 8,320,594 ⁽²⁾ | 17.75 | 412,405 | 0.86 | 8,320,594 ⁽²⁾ | 17.38 |
| Datin Chan Kooi Cheng | 3,033,370 | 7.35 | - | - | 3,033,370 | 6.47 | - | - | 3,033,370 | 6.34 | - | - |
| A1 Cap | 3,067,137 | 7.43 | 3,033,370 ⁽³⁾ | 7.35 | 3,067,137 | 6.54 | 3,033,370 ⁽³⁾ | 6.47 | 3,067,137 | 6.41 | 3,033,370 ⁽³⁾ | 6.34 |
| Skylitech | - | - | - | - | 3,000,000 | 6.40 | - | - | 3,000,000 | 6.27 | - | - |
| | - | - | - | - | 2,600,000 | 5.55 | - | - | 2,600,000 | 5.43 | - | - |

INFORMATION ON OUR COMPANY (Cont'd)

| Substantial Shareholders | (III) After (II) and the full exercise of the Warrants | | | | (IV) After (III) and full conversion of the ICULS ⁽⁴⁾ | | | |
|--------------------------------|--|-------|---------------------------|-------|--|-------|---------------------------|-------|
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| Hean Brothers Holdings Sdn Bhd | 8,320,594 | 13.63 | - | - | 8,320,594 | 12.79 | - | - |
| Dato' Lee | 7,246,465 | 11.87 | 11,353,964 ⁽¹⁾ | 18.60 | 10,246,465 | 15.75 | 11,353,964 ⁽¹⁾ | 17.45 |
| LHH | 581,330 | 0.95 | 8,320,594 ⁽²⁾ | 13.63 | 1,581,330 | 2.43 | 8,320,594 ⁽²⁾ | 12.79 |
| Lee Hean Beng | 50,000 | 0.08 | 8,320,594 ⁽²⁾ | 13.63 | 50,000 | 0.08 | 8,320,594 ⁽²⁾ | 12.79 |
| Lee Hean Teik | 446,890 | 0.73 | 8,320,594 ⁽²⁾ | 13.63 | 446,890 | 0.69 | 8,320,594 ⁽²⁾ | 12.79 |
| Lee Hean Seng | 412,405 | 0.68 | 8,320,594 ⁽²⁾ | 13.63 | 412,405 | 0.63 | 8,320,594 ⁽²⁾ | 12.79 |
| LHG Holdings Sdn Bhd | 3,033,370 | 4.97 | - | - | 3,033,370 | 4.66 | - | - |
| Datin Chan Kooi Cheng | 3,067,137 | 5.02 | 3,033,370 ⁽³⁾ | 4.97 | 3,067,137 | 4.71 | 3,033,370 ⁽³⁾ | 4.66 |
| AI Cap | 9,000,000 | 14.74 | - | - | 9,000,000 | 13.83 | - | - |
| Skylitech | 7,800,000 | 12.77 | - | - | 7,800,000 | 11.99 | - | - |

Notes:

(1) Deemed interested by virtue of his shareholding in Hean Brothers Holdings Sdn Bhd and LHG Holdings Sdn Bhd pursuant to Section 6A of the Act.

(2) Deemed interested by virtue of his shareholding in Hean Brothers Holdings Sdn Bhd pursuant to Section 6A of the Act.

(3) Deemed interested by virtue of her shareholding in LHG Holdings Sdn Bhd pursuant to Section 6A of the Act.

(4) It is assumed that the RM4,000,000 nominal value of ICULS issued pursuant to the Rights Issue of ICULS are all converted into 4,000,000 new Shares by tendering ten (10) ICULS for one (1) new Share. In the event all the ICULS are converted by tendering one (1) ICULS and the balance amount paid in cash, a total of 40,000,000 new Shares will be issued.

INFORMATION ON OUR COMPANY (Cont'd)

Maximum Scenario

| | As at the LPD | | | | (I) Assuming full exercise of the ESOS Options | | | | (II) After (I) and the Private Placement of Shares with Warrants | | | | |
|--------------------------------|---------------|-------|---------------------------|-------|--|-------|---------------------------|-------|--|-------|---------------------------|-------|-------|
| | Direct | | Indirect | | Direct | | Indirect | | Direct | | Indirect | | |
| | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | |
| Substantial Shareholders | | | | | | | | | | | | | |
| Hean Brothers Holdings Sdn Bhd | 8,320,594 | 20.16 | - | - | 8,320,594 | 17.97 | - | - | 8,320,594 | 16.03 | - | - | - |
| Dato' Lee | 4,246,465 | 10.29 | 11,353,964 ⁽¹⁾ | 27.51 | 4,246,465 | 9.17 | 11,353,964 ⁽¹⁾ | 24.52 | 4,246,465 | 8.18 | 11,353,964 ⁽¹⁾ | 21.87 | 21.87 |
| LHH | 581,330 | 1.41 | 8,320,954 ⁽²⁾ | 20.16 | 881,330 ⁽⁴⁾ | 1.90 | 8,320,594 ⁽²⁾ | 17.97 | 881,330 | 1.70 | 8,320,594 ⁽²⁾ | 16.03 | 16.03 |
| Lee Hean Beng | 50,000 | 0.12 | 8,320,954 ⁽²⁾ | 20.16 | 400,000 ⁽⁴⁾ | 0.86 | 8,320,594 ⁽²⁾ | 17.97 | 400,000 | 0.77 | 8,320,594 ⁽²⁾ | 16.03 | 16.03 |
| Lee Hean Teik | 446,890 | 1.08 | 8,320,954 ⁽²⁾ | 20.16 | 536,890 ⁽⁴⁾ | 1.16 | 8,320,594 ⁽²⁾ | 17.97 | 536,890 | 1.03 | 8,320,594 ⁽²⁾ | 16.03 | 16.03 |
| Lee Hean Seng | 412,405 | 1.00 | 8,320,954 ⁽²⁾ | 20.16 | 502,405 ⁽⁴⁾ | 1.08 | 8,320,594 ⁽²⁾ | 17.97 | 502,405 | 0.97 | 8,320,594 ⁽²⁾ | 16.03 | 16.03 |
| LHG Holdings Sdn Bhd | 3,033,370 | 7.35 | - | - | 3,033,370 | 6.55 | - | - | 3,033,370 | 5.84 | - | - | - |
| Datin Chan Kooi Cheng | 3,067,137 | 7.43 | 3,033,370 ⁽³⁾ | 7.35 | 3,067,137 | 6.62 | 3,033,370 ⁽³⁾ | 6.55 | 3,067,137 | 5.91 | 3,033,370 ⁽³⁾ | 5.84 | 5.84 |
| AI Cap | - | - | - | - | - | - | - | - | 3,000,000 | 5.78 | - | - | - |
| Skylitech | - | - | - | - | - | - | - | - | 2,600,000 | 5.01 | - | - | - |

INFORMATION ON OUR COMPANY (Cont'd)

| Substantial Shareholders | (III) After (II) and the Rights Issue of Shares with Warrants | | | | (IV) After (III) and the full exercise of the Warrants | | | | (V) After (IV) and the full conversion of the ICULS ⁽⁵⁾ | | | |
|--------------------------------|---|-------|---------------------------|-------|--|-------|---------------------------|-------|--|-------|---------------------------|-------|
| | Direct | | Indirect | | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| Hean Brothers Holdings Sdn Bhd | 9,984,713 | 16.32 | - | - | 13,312,950 | 14.65 | - | - | 54,915,920 | 17.03 | - | - |
| Dato' Lee | 5,095,758 | 8.33 | 13,624,757 ⁽¹⁾ | 22.27 | 6,794,344 | 7.48 | 18,166,342 ⁽¹⁾ | 19.99 | 28,026,669 | 8.69 | 74,936,162 ⁽¹⁾ | 23.24 |
| LHH | 1,057,596 | 1.73 | 9,984,713 ⁽²⁾ | 16.32 | 1,410,128 | 1.55 | 13,312,950 ⁽²⁾ | 14.65 | 5,816,778 | 1.80 | 54,915,920 ⁽²⁾ | 17.03 |
| Lee Hean Beng | 480,000 | 0.78 | 9,984,713 ⁽²⁾ | 16.32 | 640,000 | 0.70 | 13,312,950 ⁽²⁾ | 14.65 | 2,640,000 | 0.82 | 54,915,920 ⁽²⁾ | 17.03 |
| Lee Hean Teik | 644,268 | 1.05 | 9,984,713 ⁽²⁾ | 16.32 | 859,024 | 0.95 | 13,312,950 ⁽²⁾ | 14.65 | 3,543,474 | 1.10 | 54,915,920 ⁽²⁾ | 17.03 |
| Lee Hean Seng | 602,886 | 0.99 | 9,984,713 ⁽²⁾ | 16.32 | 803,848 | 0.88 | 13,312,950 ⁽²⁾ | 14.65 | 3,315,873 | 1.03 | 54,915,920 ⁽²⁾ | 17.03 |
| LHG Holdings Sdn Bhd | 3,640,044 | 5.95 | - | - | 4,853,392 | 5.34 | - | - | 20,020,242 | 6.21 | - | - |
| Datin Chan Kooi Cheng | 3,680,564 | 6.02 | 3,640,044 ⁽³⁾ | 5.95 | 4,907,419 | 5.40 | 4,853,392 ⁽³⁾ | 5.34 | 20,243,104 | 6.28 | 20,020,242 ⁽³⁾ | 6.21 |
| A1 Cap | 3,000,000 | 4.90 | - | - | 9,000,000 | 9.90 | - | - | 9,000,000 | 2.79 | - | - |
| Skylitech | 2,600,000 | 4.25 | - | - | 7,800,000 | 8.58 | - | - | 7,800,000 | 2.42 | - | - |

Notes:

- (1) Deemed interested by virtue of his shareholding in Hean Brothers Holdings Sdn Bhd and LHG Holdings Sdn Bhd pursuant to Section 6A of the Act.
- (2) Deemed interested by virtue of his shareholding in Hean Brothers Holdings Sdn Bhd pursuant to Section 6A of the Act.
- (3) Deemed interested by virtue of her shareholding in LHG Holdings Sdn Bhd pursuant to Section 6A of the Act.
- (4) Assuming the outstanding options granted under the ESOS to Lee Hean Huat, Lee Hean Beng, Lee Hean Teik and Lee Hean Seng of 300,000, 350,000, 90,000 and 90,000 respectively are exercised into Shares prior to the Entitlement Date.
- (5) It is assumed that the RM231,538,000 nominal value of ICULS issued pursuant to the Rights Issue of ICULS are all converted into 231,538,000 new Shares by tendering one (1) ICULS and the balance amount paid in cash for one (1) new Share. In the event all the ICULS are converted by tendering ten (10) ICULS for one (1) new Share, a total of 23,153,800 new Shares will be issued.

INFORMATION ON OUR COMPANY (Cont'd)

5. PARTICULARS OF DIRECTORS**5.1 Details of Directors**

The particulars of our Directors as at the LPD are as follows:-

| Name of Director | Age | Profession | Designation | Nationality | Address |
|----------------------------------|------------|-------------------|---|--------------------|--|
| Lee Chor Min | 37 | Managing Director | Group Managing Director | Malaysian | No. 9, Denai Pinang 18 Seri Tanjung Pinang 10470 Tanjung Tokong Penang |
| LHH | 64 | Company Director | Non-Independent Executive Director | Malaysian | 1A, 06-01, Blok A Sunny Ville, Jalan Batu Uban, 11700 Gelugor Penang |
| Haji Shamsul Ariffin B. Mohd Nor | 67 | Company Director | Non-Independent Executive Director | Malaysian | No. 29, Jalan Berjaya 6, Taman Gombak Tambahan 68100 Batu Caves Selangor Darul Ehsan |
| Haji Muhadzir Bin Mohd. Isa | 63 | Company Director | Non-Independent Executive Director | Malaysian | 113 Persiaran Cinta Sayang Jalan Kelab Cinta Sayang 08000 Sungai Petani Kedah Darul Aman |
| Loo Kam Weng | 69 | Company Director | Senior Independent Non-Executive Director | Malaysian | No.11 Gerbang Edgecumbe 10250 Penang |
| Lim Swee Aun | 48 | Company Director | Non-Independent Non-Executive Director | Malaysian | No. 1, 3 rd Floor, Wisma Limsa, Jalan Pahlawan Taman Lagenda Indah 08000 Sungai Petani Kedah Darul Aman |
| Bee Sieong Heng | 46 | Company Director | Non-Independent Non-Executive Director | Malaysian | 60, Jalan Lagenda Indah Taman Lagenda Indah 08000 Sungai Petani Kedah Darul Aman |
| Ng Shiek Nee | 45 | Company Director | Independent Non-Executive Director | Malaysian | No. 3A, Jalan Kekwa 6 Taman Sentosa, Bukit Baru 75150 Melaka |
| Teh Tet Siem | 59 | Company Director | Independent Non-Executive Director | Malaysian | 10 Logan Road 10400 Penang |

INFORMATION ON OUR COMPANY (Cont'd)
5.2 Details of Directors' shareholdings

Our Directors' shareholdings as at the LPD and the proforma effects of the Corporate Exercises on their shareholdings are set out below.

Minimum Scenario

| | As at the LPD | | | | (I) Private Placement of Shares with Warrants | | | | (II) After (I) and Rights Issue of Shares with Warrants | | | |
|-------------------------------------|---------------|------|---------------------------|-------|---|------|---------------------------|-------|---|------|---------------------------|-------|
| | Direct | | Indirect | | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| Lee Chor Min | 450,000 | 1.09 | - | - | 450,000 | 0.96 | - | - | 450,000 | 0.94 | - | - |
| LHH | 581,330 | 1.41 | 10,115,494 ⁽¹⁾ | 24.51 | 581,330 | 1.24 | 10,115,494 ⁽¹⁾ | 21.58 | 581,330 | 1.21 | 10,115,494 ⁽¹⁾ | 21.13 |
| Haji Shamsul Ariffin B. Mohd Nor | - | - | - | - | - | - | - | - | - | - | - | - |
| Haji Muhadzir Bin Mohd. Isa | - | - | - | - | - | - | - | - | - | - | - | - |
| Loo Kam Weng | - | - | - | - | - | - | - | - | - | - | - | - |
| Lim Swee Aun | - | - | - | - | - | - | - | - | - | - | - | - |
| Bee Sieong Heng | - | - | - | - | - | - | - | - | - | - | - | - |
| Ng Shiek Nee | - | - | - | - | - | - | - | - | - | - | - | - |
| Teh Tet Siem | 28,800 | 0.07 | - | - | 28,800 | 0.06 | - | - | 28,800 | 0.06 | - | - |

INFORMATION ON OUR COMPANY (Cont'd)

| | (III) After (II) and the full exercise of the Warrants | | | | (IV) After (III) and full conversion of the ICULS ⁽²⁾ | | | |
|-------------------------------------|--|------|---------------------------|-------|--|------|---------------------------|-------|
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| Lee Chor Min | 450,000 | 0.74 | - | - | 450,000 | 0.69 | - | - |
| LHH | 581,330 | 0.95 | 10,115,494 ⁽¹⁾ | 16.56 | 1,581,330 | 2.43 | 10,115,494 ⁽¹⁾ | 15.55 |
| Haji Shamsul Ariffin B. Mohd Nor | - | - | - | - | - | - | - | - |
| Haji Muhadzir Bin Mohd. Isa | - | - | - | - | - | - | - | - |
| Loo Kam Weng | - | - | - | - | - | - | - | - |
| Lim Swee Aun | - | - | - | - | - | - | - | - |
| Bee Sieng Heng | - | - | - | - | - | - | - | - |
| Ng Shiek Nee | - | - | - | - | - | - | - | - |
| Teh Tet Siem | 28,800 | 0.05 | - | - | 28,800 | 0.04 | - | - |

Notes:-

- (1) Deemed interested by virtue of his shareholding in Hean Brothers Holdings Sdn Bhd pursuant to Section 6A of the Act and by virtue of his spouse and children interest in SHCB pursuant to Section 134(12)(c) of the Act.
- (2) It is assumed that the RM4,000,000 nominal value of ICULS issued pursuant to the Rights Issue of ICULS are all converted into 4,000,000 new Shares by tendering ten (10) ICULS for one (1) new Share. In the event all the ICULS are converted by tendering one (1) ICULS and the balance amount paid in cash, a total of 40,000,000 new Shares will be issued.

INFORMATION ON OUR COMPANY (Cont'd)

Maximum Scenario

| | As at the LPD | | | | (I) Assuming full exercise of the ESOS Options | | | | (II) After (I) and the Private Placement of Shares with Warrants | | | |
|-------------------------------------|---------------|------|---------------------------|-------|--|------|---------------------------|-------|--|------|---------------------------|-------|
| | Direct | | Indirect | | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| Lee Chor Min | 450,000 | 1.09 | - | - | 450,000 | 0.97 | - | - | 450,000 | 0.87 | - | - |
| LHH | 581,330 | 1.41 | 10,115,494 ⁽¹⁾ | 24.51 | 881,330 ⁽²⁾ | 1.90 | 10,115,494 ⁽¹⁾ | 21.84 | 881,330 | 1.70 | 10,115,494 ⁽¹⁾ | 19.49 |
| Haji Shamsul Ariffin B. Mohd Nor | - | - | - | - | 100,000 ⁽²⁾ | 0.22 | - | - | 100,000 | 0.20 | - | - |
| Haji Muhadzir Bin Mohd. Isa | - | - | - | - | 100,000 ⁽²⁾ | 0.22 | - | - | 100,000 | 0.20 | - | - |
| Loo Kam Weng | - | - | - | - | - | - | - | - | - | - | - | - |
| Lim Swee Aun | - | - | - | - | - | - | - | - | - | - | - | - |
| Bee Sieong Heng | - | - | - | - | - | - | - | - | - | - | - | - |
| Ng Shiek Nee | - | - | - | - | - | - | - | - | - | - | - | - |
| Teh Tet Siem | 28,800 | 0.07 | - | - | 28,800 | 0.06 | - | - | 28,800 | 0.06 | - | - |

INFORMATION ON OUR COMPANY (Cont'd)

| | (III) After (II) and the Rights Issue of Shares with Warrants | | | | (IV) After (III) and the full exercise of the Warrants | | | | (V) After (IV) and the full conversion of the ICULS ⁽³⁾ | | | |
|-------------------------------------|---|------|---------------------------|-------|--|------|---------------------------|-------|--|------|---------------|-------|
| | Direct | | Indirect | | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| Lee Chor Min | 540,000 | 0.88 | - | - | 720,000 | 0.79 | - | - | 2,970,000 | 0.92 | - | - |
| LHH | 1,057,596 | 1.73 | 12,138,593 ⁽¹⁾ | 19.84 | 1,410,128 | 1.55 | 16,184,791 ⁽¹⁾ | 17.81 | 5,816,778 | 1.80 | 66,762,261 | 20.71 |
| Haji Shamsul Ariffin B. Mohd Nor | 120,000 | 0.20 | - | - | 160,000 | 0.18 | - | - | 660,000 | 0.20 | - | - |
| Haji Muhadzir Bin Mohd. Isa | 120,000 | 0.20 | - | - | 160,000 | 0.18 | - | - | 660,000 | 0.20 | - | - |
| Loo Kam Weng | - | - | - | - | - | - | - | - | - | - | - | - |
| Lim Swee Aun | - | - | - | - | - | - | - | - | - | - | - | - |
| Bee Sieong Heng | - | - | - | - | - | - | - | - | - | - | - | - |
| Ng Shiek Nee | - | - | - | - | - | - | - | - | - | - | - | - |
| Teh Tet Siem | 34,560 | 0.06 | - | - | 46,080 | 0.05 | - | - | 190,080 | 0.06 | - | - |

Notes:-

- (1) Deemed interested by virtue of his shareholding in Hean Brothers Holdings Sdn Bhd pursuant to Section 6A of the Act and by virtue of his spouse and children interest in SHCB pursuant to Section 134(12)(c) of the Act.
- (2) Assuming the outstanding options granted under the ESOS to Lee Hean Huat, Haji Shamsul Ariffin B. Mohd Nor and Haji Muhadzir Bin Mohd. Isa of 300,000, 100,000 and 100,000 respectively are exercised into Shares prior to the Entitlement Date.
- (3) It is assumed that the RM231,538,000 nominal value of ICULS issued pursuant to the Rights Issue of ICULS are all converted into 231,538,000 new Shares by tendering one (1) ICULS and the balance amount paid in cash for one (1) new Share. In the event all the ICULS are converted by tendering ten (10) ICULS for one (1) new Share, a total of 23,153,800 new Shares will be issued.

INFORMATION ON OUR COMPANY (Cont'd)
6. SUBSIDIARIES AND ASSOCIATED COMPANIES

The details of our Company's subsidiaries as at the LPD are as follows:-

| Name of company | Date/Place of incorporation | Issued and paid-up share capital | Effective ownership interest % | Principal activities |
|--|------------------------------------|---|---------------------------------------|---|
| See Hup Transport (K.L.) Sdn Bhd | 03.12.1991 / Malaysia | RM1,000,000 | 100.0 | Transportation services |
| Jentanian Transport and Forwarding Sdn. Bhd. | 19.11.1980 / Malaysia | RM1,000,000 | 100.0 | Transportation services |
| Butterworth Transport Company Sendirian Berhad | 23.08.1969 / Malaysia | RM300,000 | 100.0 | Transportation services |
| See Hup Transport Company Sdn. Berhad | 30.12.1959 / Malaysia | RM2,400,000 | 100.0 | Transportation services and trading in general merchandise |
| See Heng Company Sdn. Bhd. | 15.12.1972 / Malaysia | RM1,847,912 | 100.0 | Hiring of cranes, forklifts, heavy equipment and machinery and trading in general merchandise |
| Chuan Eng Teik (M) Sdn. Bhd. | 12.01.1979 / Malaysia | RM1,447,916 | 100.0 | Hiring of vehicles |
| Mazs Marketing (M) Sdn. Bhd. | 03.04.1991 / Malaysia | RM1,000,000 | 76.8 | Bonded truck services and bonded warehousing |
| Limsa Ekuiti Sdn. Bhd. | 07.05.1993 / Malaysia | RM2,995,823 | 100.0 | Investment holding |
| See Hup Pioneer Logistics Sdn. Bhd. | 02.11.2000 / Malaysia | RM2,000,000 | 56.5 | Provision of warehousing and forwarding services and investment holding |
| SH Logistics (M) Sdn. Bhd. | 16.12.1972 / Malaysia | RM4,470,000 | 50.1 | Transportation services |
| SH Link International Sdn. Bhd. | 11.09.1996 / Malaysia | RM300,000 | 54.0 | Forwarding agent services |
| SH Global Freight Sdn. Bhd. | 03.02.2010 / Malaysia | RM200,000 | 75.0 | Forwarding/transport services provider |
| Bentara Dermaga Sdn. Bhd. | 25.10.2001 / Malaysia | RM2,490,000 | 80.3 | Provision of bulk cargo handling services |
| Prosper Power Sdn. Bhd. | 07.10.2003 / Malaysia | RM700,000 | 54.0 | Provision of bulk cargo handling services |
| Agriplex (M) Sdn. Bhd. | 08.08.2005 / Malaysia | RM1,000,000 | 70.0 | Forwarding services and transport services provider |

INFORMATION ON OUR COMPANY (Cont'd)

| Name of company | Date/Place of incorporation | Issued and paid-up share capital | Effective ownership interest % | Principal activities |
|--|-----------------------------|----------------------------------|--------------------------------|---|
| <u>Interest held by Limsa Ekuiti Sdn Bhd.</u> | | | | |
| Sinar Sempurna Sdn. Bhd | 07.05.1993 / Malaysia | RM480,000 | 100.0 | Contractor |
| Shiua Chyuan Precision Industrial (M) Sdn. Bhd. | 27.07.1990 / Malaysia | RM400,000 | 100.0 | Letting of property |
| <u>Interest held by See Hup Pioneer Logistics Sdn. Bhd.</u> | | | | |
| SH Haulage Sdn. Bhd. | 14.06.2001 / Malaysia | RM1,000,000 | 39.6 | Provision of container haulage services |

The details of our Company's associated companies as at the LPD are as follows:-

| Name of company | Date/Place of incorporation | Issued and paid-up share capital | Effective equity interest % | Principal activities |
|---|-----------------------------|----------------------------------|-----------------------------|-----------------------------------|
| Perkapalan Maritime Sdn. Bhd | 11.02.1982 / Malaysia | RM500,000 | 49.0 | Forwarding agent services |
| Tanjung Marine Sdn. Bhd. | 29.01.1982 / Malaysia | RM500,000 | 49.0 | Forwarding agent services |
| SH Freight Services Sdn. Bhd. | 19.08.1991 / Malaysia | RM420,000 | 50.0 | Forwarding agent services |
| <u>Interest held by SH Logistics (M) Sdn. Bhd.</u> | | | | |
| See Hup Pioneer Logistics (Thailand) Co. Ltd. | 08.07.1983 / Thailand | Baht17,500,000 | 22.8 | Transportation services |
| <u>Interest held by Sinar Sempurna Sdn. Bhd.</u> | | | | |
| Leong Hin Equipment (M) Sdn. Bhd. | 07.12. 2001 / Malaysia | RM2,540,000 | 40.0 | Rental of machinery and equipment |

INFORMATION ON OUR COMPANY (Cont'd)
7. PROFIT AND DIVIDEND RECORD

The following table summarises the audited consolidated results of our Group for the past three (3) FYEs 2012 and the unaudited consolidated results of our Group for the three (3) months FPE 30 June 2011 and 2012:-

| | <----- Audited -----> | | | <-----Unaudited-----> | |
|---|-----------------------|--------------------|--------------------|-------------------------------|-------------------------------|
| | FYE 2010 RM'000 | FYE 2011 RM'000 | FYE 2012 RM'000 | FPE 30 June 2011 RM'000 | FPE 30 June 2012 RM'000 |
| Revenue | 98,288 | 135,320 | 131,655 | 45,347 | 25,469 |
| Other operating income | 1,507 | 1,520 | 1,343 | 176 | 359 |
| Earnings/(Loss) before interest, taxation, depreciation and amortisation | 13,485 | 12,612 | (1,946) | 3,999 | 1,933 |
| Depreciation and amortisation | (9,079) | (9,260) | (9,090) | (2,378) | (2,125) |
| Finance costs | (2,272) | (2,233) | (2,313) | (357) | (558) |
| PBT/(LBT) | 2,134 | 1,119 | (13,349) | 1,264 | (750) |
| Taxation | (920) | (919) | (682) | (458) | (220) |
| PAT/(LAT) | 1,214 | 200 | (14,031) | 806 | (970) |
| Less: Non-controlling interests | (19) | (535) | (2,998) | (98) | (453) |
| Profit/(Loss) attributable to equity holders of our Company | 1,233 | 735 | (11,033) | 904 | (517) |
| PBT/(LBT) Margin (%) | 2.17 | 0.82 | (10.14) | 2.79 | (2.94) |
| PAT/(LAT) Margin (%) | 1.23 | 0.14 | (10.66) | 1.78 | (3.81) |
| Weighted average number of ordinary shares in issue ('000) | 40,128 | 40,355 | 41,268 | 41,268 | 41,268 |
| Basic EPS/(LPS) (sen)* | 3.07 | 1.82 | (26.74) | 2.19 | (1.25) |
| Diluted EPS/(LPS) (sen) | - | - | - | - | - |
| Gross dividend per Share (sen) | 5.40 | 5.40 | 5.40 | - | - |

Note:

* Computed by dividing the profit/(loss) attributable to equity holders of our Company by the weighted average number of ordinary shares in issue.

INFORMATION ON OUR COMPANY (Cont'd)

Commentaries on past performance:-***FYE 2010***

Our Group's revenue decreased by approximately RM8.7 million in the FYE 2010 as compared to the FYE 2009 due mainly to a drop in transportation of construction related products and in the provision of bulk cargo handling services as a result of the worldwide economic downturn in year 2008 and year 2009 and a significant slowdown in domestic economic activities.

Our Group's profit after tax decreased from RM1.6 million to RM1.2 million was mainly due to the decrease in revenue as mentioned above.

FYE 2011

Our Group's revenue increased by approximately RM37.0 million in the FYE 2011 as compared to the FYE 2010 was mainly due to the increase in trading revenue attributed to the increase in demand for steel products by a customer, who is a contractor involved the construction of the Second Penang Bridge Project.

Our Group's profit after tax decreased by approximately RM1 million in the FYE 2011 as compared to the FYE 2010 was mainly due to increase in operating costs in freight forwarding business as a result of increased maintenance costs on container haulage trucks and tyre replacements.

FYE 2012

Our Group's revenue recorded a slight decrease by approximately RM3.67 million in the FYE 2012 as compared to the FYE 2011. This was mainly due to a drop in trading revenue.

Our Group's recorded a loss after tax by RM11.0 million in the FYE 2012 which was mainly due to impairment loss on trade receivables and goodwill amounting to RM11.1 million and RM3.3 million respectively.

Unaudited three (3) months FPE 30 June 2012

Our Group's revenue decreased by 43.8% to RM25.5 million for the three (3) months FPE 30 June 2012 as compared to revenue of RM45.3 million in the preceding year's corresponding period, mainly due to a significant drop in trading revenue, which attributed to the substantial completion of sub-structure works on the Second Penang Bridge Project where our Group supplied steel bars to the sub-contractor involved in the project.

Our Group posted a loss after tax of RM0.97 million as compared to a profit of RM0.8 million in the preceding year's corresponding period. The loss was mainly attributable to lower trading and transportation earnings, impairment loss on a quoted investment and higher interest costs incurred on term loan to acquire a piece of property.

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INFORMATION ON OUR COMPANY (Cont'd)

8. SHARE PRICES

The following table sets out the monthly highest and lowest market prices of our Shares as transacted on the Main Market of Bursa Securities for the twelve (12) months preceding the date of this AP:-

| Months | High (RM) | Low (RM) | Volume Traded (Units) | Percentage of volume traded over the issued and paid-up share capital of SHCB (%) |
|--|----------------------|---------------------|--------------------------------------|--|
| 2011 | | | | |
| November | 0.900 | 0.800 | 16,600 | 0.040 |
| December | 0.800 | 0.800 | 12,800 | 0.031 |
| 2012 | | | | |
| January | 0.850 | 0.800 | 20,000 | 0.049 |
| February | 0.900 | 0.800 | 39,900 | 0.097 |
| March | 0.890 | 0.800 | 8,600 | 0.021 |
| April | 0.805 | 0.805 | 3,100 | 0.005 |
| May | 0.800 | 0.780 | 7,200 | 0.017 |
| June | - | - | - | - |
| July | 1.000 | 0.760 | 19,800 | 0.047 |
| August | 0.995 | 0.770 | 40,500 | 0.098 |
| September | 0.970 | 0.860 | 245,700 | 0.595 |
| October | 1.100 | 0.880 | 256,400 | 0.621 |
| The last transacted market price on 31 July 2012 (being the last Market Day prior to the announcement of the Corporate Exercises) | | | | RM0.790 |
| The last transacted price on 8 November 2012 (being the last Market Day prior to the latest practicable date, in which the Shares traded prior to the printing of this AP) | | | | RM1.050 |
| The last transacted market price on 26 November 2012 (being the last Market Day prior to the ex-date for the Rights Issues) | | | | RM0.970 |

(Source: Bloomberg)

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OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2012
TOGETHER WITH THE AUDITORS' REPORT THEREON

8

See Hup Consolidated Berhad

(Company No. 391077 - V)

(Incorporated in Malaysia)

and its subsidiaries

Consolidated statement of financial position as at 31 March 2012

| | Note | 2012 RM | 2011 RM |
|---------------------------------------|------|--------------------|--------------------|
| Assets | | | |
| Property, plant and equipment | 3 | 50,205,981 | 58,242,808 |
| Investment properties | 4 | 15,625,787 | 2,362,677 |
| Investment in associates | 6 | 4,466,499 | 4,470,362 |
| Other investments | 7 | 753,915 | 121,412 |
| Goodwill on consolidation | 8 | 498,640 | 3,797,564 |
| Trade receivables | 9 | - | 3,911,091 |
| Total non-current assets | | <u>71,550,822</u> | <u>72,905,914</u> |
| Receivables, deposits and prepayments | 9 | 31,270,057 | 49,663,553 |
| Trading inventories, at cost | | 251,484 | - |
| Current tax assets | | 768,938 | 541,539 |
| Cash and cash equivalents | 10 | 2,006,039 | 4,579,089 |
| Total current assets | | <u>34,296,518</u> | <u>54,784,181</u> |
| Total assets | | <u>105,847,340</u> | <u>127,690,095</u> |

OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2012
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

9

Consolidated statement of financial position as at 31 March 2012 (continued)

| | Note | 2012 RM | 2011 RM |
|---|------|--------------------|--------------------|
| Equity | | | |
| Share capital | 11 | 41,267,600 | 40,677,600 |
| Reserves | 12 | (595,044) | 12,151,817 |
| Total equity attributable to owners of the Company | | <u>40,672,556</u> | <u>52,829,417</u> |
| Non-controlling interests | 13 | 1,466,890 | 4,463,778 |
| Total equity | | <u>42,139,446</u> | <u>57,293,195</u> |
| Liabilities | | | |
| Loans and borrowings | 14 | 15,515,279 | 8,984,000 |
| Deferred tax liabilities | 15 | 3,889,682 | 3,938,141 |
| Total non-current liabilities | | <u>19,404,961</u> | <u>12,922,141</u> |
| Payables and accruals | 16 | 17,564,205 | 26,197,958 |
| Loans and borrowings | 14 | 26,584,313 | 31,025,582 |
| Current tax liabilities | | 154,415 | 251,219 |
| Total current liabilities | | <u>44,302,933</u> | <u>57,474,759</u> |
| Total liabilities | | <u>63,707,894</u> | <u>70,396,900</u> |
| Total equity and liabilities | | <u>105,847,340</u> | <u>127,690,095</u> |

The notes on pages 21 to 92 are an integral part of these financial statements.

OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2012
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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See Hup Consolidated Berhad

(Company No. 391077 - V)

(Incorporated in Malaysia)

and its subsidiaries

Consolidated statement of comprehensive income for the year ended 31 March 2012

| | Note | 2012 RM | 2011 RM |
|---|-------|----------------------------|-----------------------|
| Continuing operations | | | |
| Revenue | 17 | 131,654,611 | 135,319,937 |
| Other operating income | | 1,343,399 | 1,520,383 |
| Trading inventories used | | (41,642,155) | (49,912,863) |
| Staff costs | 18 | (15,383,599) | (16,035,677) |
| Depreciation | 3 & 4 | (9,089,868) | (9,260,010) |
| Other operating expenses | | (77,914,242) | (58,749,864) |
| Results from operating activities | | <u>(11,031,854)</u> | <u>2,881,906</u> |
| Financing costs | 19 | (2,313,205) | (2,233,341) |
| Operating (loss)/profit | | <u>(13,345,059)</u> | <u>648,565</u> |
| Share of (loss)/profit of equity accounted associates, net of tax | | (3,863) | 469,912 |
| (Loss)/Profit before tax | 20 | <u>(13,348,922)</u> | <u>1,118,477</u> |
| Income tax expense | 22 | (682,385) | (918,725) |
| (Loss)/Profit for the year | | <u>(14,031,307)</u> | <u>199,752</u> |
| Other comprehensive expense for the year, net of tax | | | |
| Fair value of available-for-sale financial assets | | (59,169) | (160) |
| Total comprehensive (expense)/income for the year | | <u><u>(14,090,476)</u></u> | <u><u>199,592</u></u> |

OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2012
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

11

Consolidated statement of comprehensive income for the year ended 31 March 2012 (continued)

| | Note | 2012 RM | 2011 RM |
|---|------|---------------------|----------------|
| (Loss)/Profit attributable to : | | | |
| Owners of the Company | | (11,032,954) | 734,339 |
| Non-controlling interests | | (2,998,353) | (534,587) |
| (Loss)/Profit for the year | | <u>(14,031,307)</u> | <u>199,752</u> |
| Total comprehensive (expense)/income attributable to : | | | |
| Owners of the Company | | (11,075,523) | 734,179 |
| Non-controlling interests | | (3,014,953) | (534,587) |
| Total comprehensive (expense)/income for the year | | <u>(14,090,476)</u> | <u>199,592</u> |
| Basic (loss)/earnings per ordinary share (sen) | 24 | <u>(26.74)</u> | <u>1.82</u> |
| Diluted (loss)/earnings per ordinary share (sen) | 24 | <u>-</u> | <u>-</u> |

The notes on pages 21 to 92 are an integral part of these financial statements.

OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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See Hup Consolidated Berhad
(Company No. 391077 - V)
(Incorporated in Malaysia)
and its subsidiaries

Consolidated statement of changes in equity for the year ended 31 March 2012

| | ← Atributable to owners of the Company → | | | ← Distributable → | | | | |
|---|--|------------------|-------------------------|---------------------------------|-----------------------|--|------------------------------|-----------------|
| | Share capital RM | Share premium RM | Share option reserve RM | Property revaluation reserve RM | Fair value reserve RM | Retained earnings/ (Accumulated losses) RM | Non-controlling interests RM | Total equity RM |
| At 1 April 2010 | 40,127,600 | 2,365,573 | 123,930 | 559,492 | (1,110) | 9,994,921 | 5,118,678 | 58,289,084 |
| Fair value of available-for-sale financial assets | - | - | - | - | (160) | - | - | (160) |
| Total other comprehensive expense for the year | - | - | - | - | (160) | - | - | (160) |
| Profit/(loss) for the year | - | - | - | - | - | 734,339 | (534,587) | 199,752 |
| Total comprehensive (expense) /income for the year | - | - | - | - | (160) | 734,339 | (534,587) | 199,592 |
| Shares issued under ESOS | 550,000 | - | - | - | - | - | - | 550,000 |
| Transfer from share option reserve for options exercised/lapsed | - | 31,500 | (63,990) | - | - | 32,490 | - | - |
| Acquisition of a subsidiary | - | - | - | - | - | - | 25,000 | 25,000 |
| Dividends to owners of the Company (Note 2.5) | - | - | - | - | - | (1,625,168) | - | (1,625,168) |
| Dividends to non-controlling interests | - | - | - | - | - | - | (6,935) | (6,935) |
| Acquisition of shares from non-controlling interests | - | - | - | - | - | - | (138,378) | (138,378) |
| Total transactions with owners | 550,000 | 31,500 | (63,990) | - | - | (1,592,678) | (120,313) | (1,195,481) |
| At 31 March 2011 | 40,677,600 | 2,397,073 | 59,940 | 559,492 | (1,270) | 9,136,582 | 4,463,778 | 57,293,195 |

OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

13

Consolidated statement of changes in equity for the year ended 31 March 2012 (continued)

| | ← Attributable to owners of the Company → | | | | Total RM | Non- controlling interests RM | Total equity RM | | |
|---|---|------------------------|-------------------------------|--|-------------|--|--------------------|-----------------------------|---|
| | Share capital RM | Share premium RM | Share option reserve RM | Property revaluation reserve RM | | | | Fair value reserve RM | Distributable Retained earnings/ (Accumulated losses) RM |
| At 1 April 2011 | 40,677,600 | 2,397,073 | 59,940 | 559,492 | (1,270) | 9,136,582 | 52,829,417 | 4,463,778 | 57,293,195 |
| Fair value of available-for-sale financial assets | - | - | - | - | (42,569) | - | (42,569) | (16,600) | (59,169) |
| Total other comprehensive expense for the year | - | - | - | - | (42,569) | - | (42,569) | (16,600) | (59,169) |
| Loss for the year | - | - | - | - | - | (11,032,954) | (11,032,954) | (2,998,353) | (14,031,307) |
| Total comprehensive expense for the year | - | - | - | - | (42,569) | (11,032,954) | (11,075,523) | (3,014,953) | (14,090,476) |
| Shares issued under ESOS | 590,000 | - | - | - | - | - | 590,000 | - | 590,000 |
| Transfer from share option reserve for options exercised/lapsed | - | - | (6,120) | - | - | 6,120 | - | - | - |
| Increase of shares in a subsidiary | - | - | - | - | - | - | - | 25,000 | 25,000 |
| Dividends to owners of the Company (Note 25) | - | - | - | - | - | (1,671,338) | (1,671,338) | - | (1,671,338) |
| Dividends to non-controlling interests | - | - | - | - | - | - | - | (6,935) | (6,935) |
| Total transactions with owners | 590,000 | - | (6,120) | - | - | (1,665,218) | (1,081,338) | 18,065 | (1,063,273) |
| At 31 March 2012 | 41,267,600 | 2,397,073 | 53,820 | 559,492 | (43,839) | (3,561,590) | 40,672,556 | 1,466,890 | 42,139,446 |

The notes on pages 21 to 92 are an integral part of these financial statements.

OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2012
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

14

See Hup Consolidated Berhad

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(Incorporated in Malaysia)

and its subsidiaries

Consolidated statement of cash flows for the year ended 31 March 2012

| | Note | 2012 RM | 2011 RM |
|---|------|-------------------|-------------------|
| Cash flows from operating activities | | | |
| (Loss)/Profit before tax from continuing operations | | (13,348,922) | 1,118,477 |
| Adjustments for : | | | |
| Depreciation of : | | | |
| - property, plant and equipment | 3 | 9,030,095 | 9,204,857 |
| - investment properties | 4 | 59,773 | 55,153 |
| (Gain)/Loss on disposal of : | | | |
| - property, plant and equipment | | (1,047,676) | (320,664) |
| - investment properties | | - | 45,184 |
| - investment in an associate | | - | (6,320) |
| Interest expense | 19 | 2,313,205 | 2,233,341 |
| Interest income | | (145,762) | (546,678) |
| Share of loss/(profit) of equity accounted associates, net of tax | | 3,863 | (469,912) |
| Dividend income | | (1,435) | (1,660) |
| Equipment written off, net | | 19,557 | 58,765 |
| Impairment loss on goodwill | 8 | 3,298,924 | - |
| Impairment loss on other investments | | - | 66,403 |
| Negative goodwill recognised | B | - | (30,047) |
| Operating profit before changes in working capital | | 181,622 | 11,406,899 |
| Changes in working capital : | | | |
| Receivables, deposits and prepayments | | 21,612,915 | (8,365,775) |
| Trading inventories | | (251,484) | 283,910 |
| Payables and accruals | | (8,633,753) | 9,090,049 |
| Cash generated from operations | | 12,909,300 | 12,415,083 |
| Income tax paid | | (1,055,047) | (1,394,180) |
| Dividends received | | 1,435 | 1,660 |
| Net cash from operating activities | | 11,855,688 | 11,022,563 |

OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2012
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

15

Consolidated statement of cash flows for the year ended 31 March 2012 (continued)

| | Note | 2012 RM | 2011 RM |
|--|------|---------------------|--------------------|
| Cash flows from investing activities | | | |
| Acquisition of property, plant and equipment | A | (2,002,778) | (4,460,464) |
| Acquisition of investment properties | 4 | (12,704,702) | - |
| Disposal of investment in an associate | | - | 49,786 |
| Interest received | | 145,762 | 546,678 |
| Proceeds from disposal of plant and equipment | | 2,079,448 | 2,023,429 |
| Proceeds from disposal of investment properties | | - | 380,000 |
| Decrease/(Increase) in pledged deposits placed with licensed banks | 10 | 995,227 | (1,032,923) |
| Shares acquired from non-controlling interests | B | - | (108,331) |
| Net cash used in investing activities | | (11,487,043) | (2,601,825) |
| Cash flows from financing activities | | | |
| Borrowings, net | | (9,523,037) | 9,583,923 |
| Drawdown of term loans | | 11,588,964 | 5,025,489 |
| Repayment of term loans | | (3,035,612) | (3,020,590) |
| Dividends paid to : | | | |
| - owners of the Company | 25 | (1,671,338) | (1,625,168) |
| - non-controlling interests | | (6,935) | (6,935) |
| Repayment of finance lease liabilities | 14 | (2,848,747) | (4,951,079) |
| Interest paid | | (2,313,205) | (2,233,341) |
| Proceeds from issuance of shares in a subsidiary to non-controlling interests | | 25,000 | 25,000 |
| Proceeds from issuance of shares under ESOS | 11 | 590,000 | 550,000 |
| Net cash (used in)/from financing activities | | (7,194,910) | 3,347,299 |
| Net (decrease)/increase in cash and cash equivalents | | (6,826,265) | 11,768,037 |
| Cash and cash equivalents at 1 April | | 1,504,906 | (10,263,131) |
| Cash and cash equivalents at 31 March | C | (5,321,359) | 1,504,906 |

OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2012
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

16

Consolidated statement of cash flows for the year ended 31 March 2012 (continued)

NOTES

A. Acquisition of property, plant and equipment

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM2,662,778 (2011 : RM9,755,464) of which RM660,000 (2011 : RM5,295,000) was acquired by means of finance lease arrangements. The balance of RM2,002,778 (2011 : RM4,460,464) was made by cash payments.

B. Shares acquired from non-controlling interests

| | 2012 RM | 2011 RM |
|---|------------|----------------|
| Net identifiable assets in the following subsidiaries : | | |
| See Hup Transport Company Sdn. Bhd. | - | 58,329 |
| See Hup Pioneer Logistics Sdn. Bhd. | - | 80,049 |
| | <u>-</u> | <u>138,378</u> |
| Negative goodwill | - | (30,047) |
| Purchase consideration paid | <u>-</u> | <u>108,331</u> |

C. Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following amounts :

| | Note | 2012 RM | 2011 RM |
|------------------------|------|--------------------|------------------|
| Cash and bank balances | 10 | 1,840,353 | 3,418,176 |
| Bank overdrafts | 14 | (7,161,712) | (1,913,270) |
| | | <u>(5,321,359)</u> | <u>1,504,906</u> |

The notes on pages 21 to 92 are an integral part of these financial statements.

OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2012
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

17

See Hup Consolidated Berhad

(Company No. 391077 - V)

(Incorporated in Malaysia)

Statement of financial position as at 31 March 2012

| | Note | 2012 RM | 2011 RM |
|---|------|-------------------|-------------------|
| Assets | | | |
| Investment in subsidiaries | 5 | 25,383,173 | 31,048,066 |
| Investment in associates | 6 | 965,432 | 965,432 |
| Other investments | 7 | 101,282 | 101,282 |
| Total non-current assets | | <u>26,449,887</u> | <u>32,114,780</u> |
| Receivables, deposits and prepayments | 9 | 12,513,492 | 14,804,719 |
| Current tax assets | | 155,971 | 144,589 |
| Cash and cash equivalents | 10 | 9,874 | 1,171 |
| Total current assets | | <u>12,679,337</u> | <u>14,950,479</u> |
| Total assets | | <u>39,129,224</u> | <u>47,065,259</u> |
| Equity | | | |
| Share capital | 11 | 41,267,600 | 40,677,600 |
| Reserves | 12 | (3,072,550) | 4,277,097 |
| Total equity attributable to owners of the Company | | <u>38,195,050</u> | <u>44,954,697</u> |
| Liabilities | | | |
| Payables and accruals | 16 | 934,174 | 2,110,562 |
| Total current liabilities | | <u>934,174</u> | <u>2,110,562</u> |
| Total equity and liabilities | | <u>39,129,224</u> | <u>47,065,259</u> |

The notes on pages 21 to 92 are an integral part of these financial statements.

OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2012
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

18

See Hup Consolidated Berhad

(Company No. 391077 - V)

(Incorporated in Malaysia)

Statement of comprehensive income for the year ended 31 March 2012

| | Note | 2012 RM | 2011 RM |
|--|------|---------------------------|-------------------------|
| Continuing operations | | | |
| Revenue | 17 | 130,854 | 1,810,854 |
| Other operating income | | 126,975 | 45,974 |
| Other operating expenses | | (5,840,305) | (157,172) |
| Results from operating activities | | <u>(5,582,476)</u> | <u>1,699,656</u> |
| Financing costs | 19 | (74,501) | (22,438) |
| (Loss)/Profit before tax | 20 | <u>(5,656,977)</u> | <u>1,677,218</u> |
| Income tax expense | 22 | (21,332) | (432,788) |
| (Loss)/Profit for the year | | <u>(5,678,309)</u> | <u>1,244,430</u> |
| Other comprehensive income, net of tax | | - | - |
| Total comprehensive (expense)/income for the year attributable to owners of the Company | | <u><u>(5,678,309)</u></u> | <u><u>1,244,430</u></u> |

The notes on pages 21 to 92 are an integral part of these financial statements.

OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2012
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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See Hup Consolidated Berhad

(Company No. 391077 - V)

(Incorporated in Malaysia)

Statement of changes in equity for the year ended 31 March 2012

| | ← Non-distributable → | | | Distributable | Total equity RM |
|---|-----------------------|---------------------|----------------------------|--|--------------------|
| | Share capital RM | Share premium RM | Share option reserve RM | Retained earnings/ (Accumulated loss) RM | |
| At 1 April 2010 | 40,127,600 | 2,365,573 | 123,930 | 2,168,332 | 44,785,435 |
| Total comprehensive income for the year | - | - | - | 1,244,430 | 1,244,430 |
| Shares issued under ESOS | 550,000 | - | - | - | 550,000 |
| Transfer from share option reserve for options exercised/lapsed | - | 31,500 | (63,990) | 32,490 | - |
| Dividends to owners of the company (Note 25) | - | - | - | (1,625,168) | (1,625,168) |
| Total transactions with owners | 550,000 | 31,500 | (63,990) | (1,592,678) | (1,075,168) |
| At 31 March 2011/ 1 April 2011 | 40,677,600 | 2,397,073 | 59,940 | 1,820,084 | 44,954,697 |
| Total comprehensive expense for the year | - | - | - | (5,678,309) | (5,678,309) |
| Shares issued under ESOS | 590,000 | - | - | - | 590,000 |
| Transfer from share option reserve for options exercised/lapsed | - | - | (6,120) | 6,120 | - |
| Dividends to owners of the company (Note 25) | - | - | - | (1,671,338) | (1,671,338) |
| Total transactions with owners | 590,000 | - | (6,120) | (1,665,218) | (1,081,338) |
| At 31 March 2012 | 41,267,600 | 2,397,073 | 53,820 | (5,523,443) | 38,195,050 |

The notes on pages 21 to 92 are an integral part of these financial statements.

OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2012
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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See Hup Consolidated Berhad

(Company No. 391077 - V)

(Incorporated in Malaysia)

Statement of cash flows for the year ended 31 March 2012

| | Note | 2012 RM | 2011 RM |
|--|------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| (Loss)/Profit before tax from continuing operations | | (5,656,977) | 1,677,218 |
| Adjustments for : | | | |
| Dividend income | | (130,854) | (1,810,854) |
| Interest income | | (126,975) | (45,974) |
| Interest expense | | 74,501 | 22,438 |
| Impairment loss on other investments | | - | 66,403 |
| Impairment loss on investment in subsidiaries | 5 | 5,739,893 | - |
| Operating loss before changes in working capital | | (100,412) | (90,769) |
| Changes in working capital : | | | |
| Receivables, deposits and prepayments | | 2,291,227 | (949,501) |
| Payables and accruals | | (1,176,388) | 837,171 |
| Cash generated from/(used in) operations | | 1,014,427 | (225,537) |
| Dividend received | | 98,140 | 1,358,142 |
| Net cash from operating activities | | 1,112,567 | 1,132,605 |
| Cash flows from investing activities | | | |
| Acquisition of investment in subsidiaries | | (75,000) | (183,329) |
| Interest received | | 126,975 | 45,974 |
| Net cash from/(used in) investing activities | | 51,975 | (137,355) |
| Cash flows from financing activities | | | |
| Dividend paid to owners of the Company | 25 | (1,671,338) | (1,625,168) |
| Interest paid | | (74,501) | (22,438) |
| Proceeds from issuance of shares under ESOS | 11 | 590,000 | 550,000 |
| Net cash used in financing activities | | (1,155,839) | (1,075,168) |
| Net increase/(decrease) in cash and cash equivalents | | 8,703 | (79,918) |
| Cash and cash equivalents at 1 April | | 1,171 | 81,089 |
| Cash and cash equivalents at 31 March | 10 | 9,874 | 1,171 |

The notes on pages 21 to 92 are an integral part of these financial statements.

OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2012
TOGETHER WITH THE AUDITORS' REPORT THEREON *(Cont'd)*

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See Hup Consolidated Berhad

(Company No. 391077 - V)

(Incorporated in Malaysia)

and its subsidiaries

Notes to the financial statements

See Hup Consolidated Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of its registered office and principal place of business are as follows :

Registered office

Suite 2-1, 2nd Floor
Menara Penang Garden
42A Jalan Sultan Ahmad Shah
10050 Penang

Principal place of business

18, Jalan Limbungan
Off Jalan Chain Ferry
12100 Butterworth
Penang

The consolidated financial statements as at and for the year ended 31 March 2012 comprise the Company and its subsidiaries (together referred to as the Group) and the Group's interest in associates. The financial statements of the Company as at and for the year ended 31 March 2012 do not include other entities.

The Company is an investment holding company.

The principal activities of its subsidiaries are set out in Note 5 to the financial statements.

The financial statements were authorised for issue by the Board of Directors on 30 July 2012.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Financial Reporting Standards (FRSs), generally accepted accounting principles and the Companies Act, 1965 in Malaysia.