

SEE HUP CONSOLIDATED BERHAD
(Company no. 391077-V)
(Incorporated in Malaysia)
(and its subsidiaries)

NOTES TO INTERIM FINANCIAL REPORT - 31 MARCH 2006

11 Changes in composition of the Group

During the quarter under review, the Company subscribed for an additional 980,000 ordinary shares of RM1.00 each for a total consideration of RM980,000 in Bentara Dermaga Sdn Bhd. The effective interest held by the Company had increased from 67.55% to 80.32%

12 Changes in contingent liabilities/contingent assets

There were no contingent liabilities/assets during the quarter under review.

13 Capital commitments

There were no capital commitments during the quarter under review.

14 Review of performance of current quarter and current year to date

The Group recorded loss before taxation of RM1.1 million and loss before taxation of RM0.9 million for the current quarter and current year to date respectively as compared to profit before taxation of RM26,000 and profit before taxation of RM3,152,000 for the preceding year corresponding quarter and preceding year to date respectively. The loss was mainly due to higher operating costs attributable to increases in fuel and other fleet maintenance costs in the inland transportation and related logistics services business segment.

15 Results against preceding quarter

The Group recorded revenue of RM17 million and loss before taxation of RM1.1 million in the current quarter as compared to revenue of RM22 million and loss before taxation of RM128,000 in the preceding quarter. The loss for this quarter was mainly due to lower sales from the transportation and related logistics services business segment and provisions for doubtful debts.

16 Prospects for the next financial year

Barring any unforeseen circumstances, the overall financial performance of the Group is expected to improve.

17 Profit forecast

Not applicable as no profit forecast was published.

