

SEE HUP CONSOLIDATED BERHAD

(Company no. 391077-V)
(Incorporated in Malaysia)
(and its subsidiaries)

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2006**

(The figures have not been audited)

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTERS | |
|--------------------------------------|--|--|--|---|
| | Current Year Quarter 30-Jun-06 RM'000 | Preceding Year Corresponding Quarter 30-Jun-05 RM'000 (Restated) | Current Year To date 30-Jun-06 RM'000 | Preceding Year To date 30-Jun-05 RM'000 (Restated) |
| Revenue | <u>23,216</u> | <u>20,341</u> | <u>23,216</u> | <u>20,341</u> |
| Operating profit | 710 | 273 | 710 | 273 |
| Finance costs | (421) | (644) | (421) | (644) |
| Share of (loss)/profit of associates | (28) | 42 | (28) | 42 |
| Profit/(Loss) before taxation | <u>261</u> | <u>(329)</u> | <u>261</u> | <u>(329)</u> |
| Tax expense | (200) | (128) | (200) | (128) |
| Profit/(Loss) after taxation | <u>61</u> | <u>(457)</u> | <u>61</u> | <u>(457)</u> |
| Attributable to: | | | | |
| Equity holders of the parent | (110) | (300) | (110) | (300) |
| Minority interests | 171 | (157) | 171 | (157) |
| | <u>61</u> | <u>(457)</u> | <u>61</u> | <u>(457)</u> |
| Earnings/(Loss) per share - sen | | | | |
| - Basic | (0.27) | (0.75) | (0.27) | (0.75) |
| - Diluted | <u>(0.27)</u> | <u>(0.75)</u> | <u>(0.27)</u> | <u>(0.75)</u> |

The condensed consolidated income statement should be read in conjunction with the annual financial report for the year ended 31 March 2006.

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CONDENSED CONSOLIDATED BALANCE SHEET AT 30 JUNE 2006

| | (Unaudited) As at 30-Jun-06 RM'000 | (Audited) As at 31-Mar-06 RM'000 (Restated) |
|--|---|---|
| Property, plant and equipment | 48,336 | 46,866 |
| Investment properties | 6,224 | 6,245 |
| Investment in associates | 2,628 | 2,656 |
| Other investments | 1,721 | 1,702 |
| Goodwill on consolidation | 3,798 | 3,798 |
| | 62,707 | 61,267 |
| Current assets | | |
| Trading inventories | 727 | 692 |
| Trade and other receivables | 38,662 | 31,816 |
| Tax refundable | 500 | 600 |
| Cash and cash equivalents | 1,208 | 1,096 |
| | 41,097 | 34,204 |
| Current liabilities | | |
| Trade and other payables | 18,948 | 11,179 |
| Borrowings | 25,517 | 25,307 |
| Taxation | - | 7 |
| | 44,465 | 36,493 |
| Net current liabilities | (3,368) | (2,289) |
| | 59,339 | 58,978 |
| Financed by: | | |
| Share capital | 40,118 | 40,118 |
| Reserves | 8,406 | 8,516 |
| Shareholders' equity | 48,524 | 48,634 |
| Minority interests | 4,079 | 3,823 |
| Total equity | 52,603 | 52,457 |
| Borrowings | 3,275 | 3,060 |
| Deferred tax liabilities | 3,461 | 3,461 |
| | 59,339 | 58,978 |
| Net assets per share attributable to ordinary equity holders of the parent (sen) | 120.95 | 121.23 |

The condensed consolidated balance sheet should be read in conjunction with the annual financial report for the year ended 31 March 2006.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2006**

| | ← Non-distributable → | | | Distributable | | Minority Interests RM'000 | Total Equity RM'000 |
|---|----------------------------|----------------------------|---|-------------------------------|-----------------------------------|---------------------------------|---------------------------|
| | Share capital RM'000 | Share Premium RM'000 | Property Revaluation Reserves RM'000 | Retained Profits RM'000 | Shareholders' Equity RM'000 | | |
| At 1 April 2006 | 40,118 | 2,365 | 768 | 5,383 | 48,634 | 3,823 | 52,457 |
| (Loss)/Profit after taxation | - | - | - | (110) | (110) | 171 | 61 |
| Dilution of equity interests to minority interests | - | - | - | - | - | 85 | 85 |
| At 30 June 2006 | <u>40,118</u> | <u>2,365</u> | <u>768</u> | <u>5,273</u> | <u>48,524</u> | <u>4,079</u> | <u>52,603</u> |
| At 1 April 2005 | 40,118 | 2,365 | 768 | 7,972 | 51,223 | 4,266 | 55,489 |
| Loss after taxation | - | - | - | (300) | (300) | (157) | (457) |
| At 30 June 2005 | <u>40,118</u> | <u>2,365</u> | <u>768</u> | <u>7,672</u> | <u>50,923</u> | <u>4,109</u> | <u>55,032</u> |

The condensed consolidated statement of changes in equity should be read in conjunction with the annual financial report for the year ended 31 March 2006.

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2006**

| | 30-Jun-06 RM'000 | 30-Jun-05 RM'000 (Restated) |
|--|---------------------|-----------------------------------|
| Cash flows from operating activities | | |
| Profit/(Loss) before taxation | 261 | (329) |
| Adjustments for: | | |
| Non-cash items | 1,691 | 1,678 |
| Non-operating items | 384 | 319 |
| Operating profit before working capital changes | <u>2,336</u> | <u>1,668</u> |
| Net changes in current assets | (6,881) | (610) |
| Net changes in current liabilities | 7,770 | (222) |
| Cash generated from operations | <u>3,225</u> | 836 |
| Dividend received | 22 | - |
| Interest paid | (421) | (643) |
| Tax paid | (114) | (230) |
| Tax refunded | 7 | 62 |
| Net cash from operating activities | <u>2,719</u> | <u>25</u> |
| Cash flows from investing activities | | |
| Equity investments | - | (196) |
| Other investments | (461) | (24) |
| Net cash used in investing activities | <u>(461)</u> | <u>(220)</u> |
| Cash flows from financing activities | | |
| Transactions with owners | 92 | - |
| Bank borrowings | (2,270) | 586 |
| Net cash (used in)/from financing activities | <u>(2,178)</u> | <u>586</u> |
| Net increase in cash and cash equivalents | <u>80</u> | <u>391</u> |
| Cash and cash equivalents at beginning of period | (11,915) | (9,305) |
| Cash and cash equivalents at end of period | <u>(11,835)</u> | <u>(8,914)</u> |
| <u>Cash and cash equivalents consist of:</u> | | |
| Cash and bank balances | 1,030 | 1,205 |
| Bank overdrafts | (12,865) | (10,119) |
| | <u>(11,835)</u> | <u>(8,914)</u> |

The condensed consolidated cash flow statement should be read in conjunction with the annual financial report for the year ended 31 March 2006.

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NOTES TO INTERIM FINANCIAL REPORT - 30 JUNE 2006

1 Basis of preparation

The interim financial report is unaudited and has been prepared in compliance with FRS 134₂₀₀₄ : Interim Financial Reporting and the additional disclosure requirements as set out in Part A of Appendix 9B of the Revised Listing Requirements.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 March 2006 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") issued by the Malaysian Accounting Standards Board ("MASB") effective for the financial periods beginning on or after 1 January 2006:

| | |
|---------|--|
| FRS 2 | Share-based Payment |
| FRS 3 | Business Combinations |
| FRS 5 | Non-current Assets Held for Sale and Discontinued Operations |
| FRS 101 | Presentation of Financial Statements |
| FRS 102 | Inventories |
| FRS 108 | Accounting Policies, Changes in Estimates and Errors |
| FRS 110 | Events after the Balance Sheet Date |
| FRS 116 | Property, Plant and Equipment |
| FRS 121 | The Effects of Changes in Foreign Exchange Rates |
| FRS 127 | Consolidated and Separate Financial Statements |
| FRS 128 | Investment in Associates |
| FRS 131 | Interests in Joint Ventures |
| FRS 132 | Financial Instruments : Disclosure and Presentation |
| FRS 133 | Earnings Per Share |
| FRS 136 | Impairment of Assets |
| FRS 138 | Intangible Assets |
| FRS 140 | Investment Property |

The adoption of the new/revised FRS does not have significant financial impact on the Group except for the following:

(a) FRS 101 : Presentation of Financial Statements

The adoption of this revised FRS has affected the presentation of minority interests, share of results of associates and other disclosures. In the consolidated balance sheet, minority interests are now presented within equity. In the consolidated income statement, minority interests are presented as an allocation of total profit or loss for the period. A similar requirement is also applicable to the consolidated statement of changes in equity.

The comparatives have been restated to conform with the current period's new presentation.

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(b) FRS 140 : Investment Property

The adoption of this FRS has resulted in the separate classification of investment properties, previously included under property, plant and equipment. The Group has elected the cost model for its investment properties. Under the cost model, investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses.

The following comparatives have been restated to conform with the current period's classification:

| | As at 31-Mar-06 | | |
|-------------------------------|-------------------------------------|---------------------------------------|-----------------------|
| | As previously reported RM'000 | Reclassification FRS 140 RM'000 | As restated RM'000 |
| Property, plant and equipment | 53,111 | (6,245) | 46,866 |
| Investment properties | - | 6,245 | 6,245 |
| | 53,111 | - | 53,111 |

2 Qualification of audit report of the preceding annual financial statements

There were no qualifications on the audit report of the financial statements for the year ended 31 March 2006.

3 Seasonal or cyclical factors

The Group's performance in the current quarter and current year to date was not affected by any seasonal or cyclical factors.

4 Unusual items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flow during the quarter and current year to date.

5 Changes in estimates

There were no material changes in the estimates used for the preparation of this interim financial report.

6 Debts and equity securities

There were no issuance, cancellations, repurchase, resale and repayments of debt and equity securities for the current year to date.

7 Dividend paid

No dividend was paid since the end of the previous financial year.

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NOTES TO INTERIM FINANCIAL REPORT - 30 JUNE 2006

8 Segmental information

Segment information is presented in respect of the Group's business segment.

| | Transportation and logistics services RM'000 | Trading RM'000 | Others RM'000 | Total RM'000 |
|-------------------------------|---|-------------------|------------------|-----------------|
| Revenue | 19,785 | 3,297 | 134 | 23,216 |
| Inter-segment elimination | - | - | - | - |
| | <u>19,785</u> | <u>3,297</u> | <u>134</u> | <u>23,216</u> |
| Profit/(Loss) before taxation | 406 | (16) | (101) | 289 |
| Share of profit of associates | (28) | - | - | (28) |
| | <u>378</u> | <u>(16)</u> | <u>(101)</u> | <u>261</u> |

9 Property, plant and equipment

The property, plant and equipment are stated at cost/valuation less accumulated depreciation and accumulated impairment losses, if any.

There were no material write-down in property, plant and equipment during the quarter under review.

The valuation of property, plant and equipment has been brought forward without any amendments from the previous annual financial statements.

10 Events subsequent to balance sheet date

There were no material events subsequent to balance sheet date.

11 Changes in composition of the Group

During the quarter under review, the Company subscribed a total of 57,000 ordinary shares of RM1.00 each in SH Link International Sdn Bhd ("SH Link") (*Formerly known as Viva Mesra Sdn Bhd*) for a total consideration of RM57,000 being part of SH Link's increase in its paid-up capital. Consequent to this, the equity interest of the Company in SH Link was reduced from 100% to 54%.

12 Changes in contingent liabilities/contingent assets

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

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NOTES TO INTERIM FINANCIAL REPORT - 30 JUNE 2006

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 has performed favourably in the current quarter compared to preceding corresponding quarter in revenue earnings, operating profit and profit before tax. The positive contribution is attributable to the bulk cargo handling, haulage, warehousing and forwarding services business segments. SH Link, a 54% owned subsidiary commenced forwarding business in April 2006. Furthermore, scheduled instalment repayments of term loan and finance leases have resulted in lower financing costs on outstanding borrowings.

15 Results against preceding quarter

The Group's strong performance this quarter compared to the preceding quarter is mainly due to increases in turnover and profitability in the bulk cargo handling, haulage, warehousing and forwarding services business segments. Unfavourable results in the preceding quarter were also due to provisions for doubtful debts.

16 Prospects for the remaining quarters

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.

18 Tax expense

| | Current Year Quarter 30-Jun-06 RM'000 | Preceding Year Corresponding Quarter 30-Jun-05 RM'000 | Current Year To date 30-Jun-06 RM'000 | Preceding Year To date 30-Jun-05 RM'000 |
|---------------------|--|--|--|--|
| Current tax expense | | | | |
| - Current period | 200 | 128 | 200 | 128 |
| - Prior years | - | - | - | - |
| | 200 | 128 | 200 | 128 |
| Deferred taxation | | | | |
| - Current period | - | - | - | - |
| - Prior years | - | - | - | - |
| | - | - | - | - |

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| | | | |
|------------|-----|------------|-----|
| 200 | 128 | 200 | 128 |
|------------|-----|------------|-----|

The tax expense was mainly in respect of the results of certain profit-making subsidiaries.

19 Unquoted investments and properties

There were no disposal of unquoted investments and properties during the quarter under review.

20 Quoted investments

| | Current Year Quarter RM'000 | Current Year To date RM'000 |
|--|-----------------------------------|-----------------------------------|
| Total purchases | 19 | 19 |
| Total cost of disposal | - | - |
| Total profit on disposal | - | - |
| Investment in quoted securities as at 30 June 2006 | | As at 30-Jun-06 RM'000 |
| Total investment at cost | | 975 |
| Total investment at net book value | | 975 |
| Total investment at market value | | 752 |

21 Status of corporate proposals announced

Utilisation of rights issue

The Securities Commission had on 29 August 2000 approved the Company's application to utilise the balance of the proceeds totalling RM1.509 million arising from the listing of the Company, for the payment of the acquisition price for a piece of leasehold industrial land known as Lot 201 and 207, Kawasan Perindustrian Bukit Kayu Hitam, Changlun, Kedah by one of its subsidiaries, See Hup Pioneer Logistics Sdn. Bhd. ("SHPL").

SHPL had on 30 January 2001 entered into an agreement with Kedah State Development Corporation ("KSDC") for a sixty-year lease for a consideration sum of RM1,556,766. To date, SHPL has fully utilised the balance of the proceeds totalling RM1.509 million to settle substantially the purchase consideration of the property.

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22 Group borrowings and debts securities

| | 30-Jun-06 RM'000 |
|-------------|---------------------|
| Current | |
| - Secured | 895 |
| - Unsecured | 24,622 |
| | 25,517 |
| Non-current | |
| - Secured | 395 |
| - Unsecured | 2,880 |
| | 3,275 |

The above borrowings are denominated in Ringgit Malaysia.

23 Off balance sheet financial instruments

The Group did not have financial instruments with off balance sheet risk as at 25 August 2006 (the latest practicable date which is not earlier than 7 days from the date of this quarterly report).

24 Changes in material litigation

The Group was not engaged in any material litigation as at 25 August 2006 (the latest practicable date which is not earlier than 7 days from the date of this quarterly report).

25 Earnings per share

The earnings per share are calculated by dividing the profit or loss attributable to ordinary equity holders of the parent by the weighted average numbers of shares in issue during the period as follows:

| | Weighted Average No. of Shares | |
|---|--|--|
| | Current Year Quarter 30-Jun-06 RM'000 | Current Year To date 30-Jun-06 RM'000 |
| For computing basic earnings per share | 40,118 | 40,118 |
| No. of shares under ESOS deemed to have been issued for no consideration | - | - |
| For computing diluted earnings per share | 40,118 | 40,118 |

BY ORDER OF THE BOARD

Lam Voon Kean
Company Secretary

Dated this 29th day of August 2006