

SEE HUP CONSOLIDATED BERHAD

(Company no. 391077-V)

(Incorporated in Malaysia)

(and its subsidiaries)

NOTES TO INTERIM FINANCIAL REPORT - 30 SEPTEMBER 2007

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 2007.

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 2007.

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

On 6 August 2007, the Company granted 1,379,000 share options (with an option price of RM1.00 per ordinary share of RM1.00 in the Company) to the Group's eligible employees pursuant to the Employees' Share Option Scheme ("ESOS") of the Company.

During the quarter under review, the issued and paid-up share capital of the Company was increased from RM40,117,600 to RM40,124,600 by way of an issue of 7,000 new ordinary shares of RM1.00 each pursuant to the exercise of share options under the ESOS at an option price of RM1.00 per share.

Save as disclosed above, 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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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	53,618	12,415	257	66,290
Inter-segment elimination	-	-	-	-
	<u>53,618</u>	<u>12,415</u>	<u>257</u>	<u>66,290</u>
Profit/(Loss) before taxation	3,942	378	(243)	4,077
Share of profit of associates	256	-	-	256
	<u>4,198</u>	<u>378</u>	<u>(243)</u>	<u>4,333</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

See Hup Transport Company Sdn Bhd ("SHT"), a subsidiary of the Company had on 2 October 2007 entered into a Sale and Purchase Agreement to dispose off a piece of vacant land (with a carrying amount of approximately RM2 million as at 30 September 2007) for a total consideration of RM3,539,389.40.

SHT had on 5 October 2007 entered into a Sale and Purchase Agreement to acquire two (2) pieces of land for a total cash consideration of RM1,609,720.00.

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11 Changes in composition of the Group

There were no changes in the composition of the Group during the quarter under review.

12 Changes in contingent liabilities/contingent assets

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

13 Capital commitments

	As at 30-Sep-07 RM'000
Contracted but not provided for	<u>15,039</u>

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

The Group's performance in the current quarter is comparable to that achieved in the preceding quarter enabling the Group to report total revenue of RM66.3 million and profit before tax of RM4.3 million current year to date. Overall, transportation and related logistics business has improved over a lower trading business volume in the current quarter.

15 Results against preceding quarter

Group revenue in the current quarter amounted to RM32.8 million compared to RM33.5 million in the preceding quarter. Profit before tax however, is slightly favourable at RM2.3 million against RM2 million reported in the preceding quarter due to higher contribution to total revenue from transportation and related logistics business segment.

16 Prospects for the remaining quarters

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

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17 Profit forecast

Not applicable as no profit forecast was published.

18 Tax expense

	Current Year Quarter 30-Sep-07 RM'000	Preceding Year Corresponding Quarter 30-Sep-06 RM'000	Current Year To date 30-Sep-07 RM'000	Preceding Year To date 30-Sep-06 RM'000
Current tax expense				
- Current period	574	262	1,139	462
- Prior years	-	-	-	-
	574	262	1,139	462
Deferred taxation				
- Current period	-	(34)	-	(34)
- Prior years	-	-	-	-
	-	(34)	-	(34)
	574	228	1,139	428

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

19 Unquoted investments and properties

On 8 July 2007, the Company redeemed 1,000,000 Redeemable Convertible Cumulative Preference Shares in Kimsar Sdn Bhd for its investment consideration of RM500,000.

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

20 Quoted investments

	Current Year Quarter RM'000	Current Year To date RM'000
Total purchases	28	28
Total cost of disposal	-	10
Total profit on disposal	-	10
Investment in quoted securities as at 30 September 2007		As at 30-Sep-07 RM'000
Total investment at cost		1,019
Total investment at net book value		1,019
Total investment at market value		1,093

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21 Status of corporate proposals announced

There were no corporate proposals announced during the quarter ended 30 September 2007.

22 Group borrowings and debts securities

	30-Sep-07 RM'000
Current	
- Secured	3,769
- Unsecured	<u>24,701</u>
	<u><u>28,470</u></u>
Non-current	
- Secured	1,201
- Unsecured	<u>3,340</u>
	<u><u>4,541</u></u>

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 26 November 2007 (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 26 November 2007 (the latest practicable date which is not earlier than 7 days from the date of this quarterly report).

25 Proposed Dividend

The Board of Directors has declared an Interim Dividend of 2.7% (2006:NIL) less 26% tax for the year ending 31 March 2008. The dividend will be payable on 3 January 2008 to shareholders whose names appear in the Record of Depositors at the close of business on 18 December 2007.

26 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-Sep-07 '000	Current Year To date 30-Sep-07 '000
For computing basic earnings per share	40,123	40,120
No. of shares under ESOS deemed to have been issued for no consideration	<u>1,012</u>	<u>570</u>
For computing diluted earnings per share	<u><u>41,135</u></u>	<u><u>40,690</u></u>

BY ORDER OF THE BOARD

Lam Voon Kean
 Company Secretary

Dated this 29th day of November 2007