

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

**NOTES TO INTERIM FINANCIAL REPORT - 30 JUNE 2010**

**1 Basis of preparation**

The interim financial report is unaudited and has been prepared in compliance with FRS 134, "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 2010 except for the adoption of the following Financial Reporting Standards ("FRS"), amendments to FRSs and IC Interpretations:

Standard/Interpretation	Effective for financial periods beginning on or after
Amendments to FRS 1 <i>First-time Adoption of Financial Reporting Standards</i> and FRS 127 <i>Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>	1 January 2010
Amendments to FRS 2 <i>Share-based Payment: Vesting Conditions and Cancellations</i>	1 January 2010
Amendments to FRS 132 <i>Financial Instruments: Presentation</i>	1 January 2010/ 1 March 2010
Amendments to FRS 139 <i>Financial Instruments: Recognition and Measurement</i> , FRS 7 <i>Financial Instruments: Disclosures</i> and IC Interpretation 9 <i>Reassessment of Embedded Derivatives</i>	1 January 2010
Amendments to FRS 139 <i>Financial Instruments: Recognition and Measurement</i>	1 January 2010
Amendments to FRSs contained in the document entitled " <i>Improvements to FRSs (2009)</i> "	1 January 2010
FRS 4 <i>Insurance Contracts</i>	1 January 2010
FRS 7 <i>Financial Instruments: Disclosures</i>	1 January 2010
FRS 101 <i>Presentation of Financial Statements</i> (revised in 2009)	1 January 2010
FRS 123 <i>Borrowing Costs</i>	1 January 2010
FRS 139 <i>Financial Instruments: Recognition and Measurement</i>	1 January 2010
IC Interpretation 9 <i>Reassessment of Embedded Derivatives</i>	1 January 2010
IC Interpretation 10 <i>Interim Financial Reporting and Impairment</i>	1 January 2010
IC Interpretation 11 <i>FRS 2 - Group and Treasury Share Transactions</i>	1 January 2010
IC Interpretation 13 <i>Customer Loyalty Programmes</i>	1 January 2010
IC Interpretation 14 <i>FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>	1 January 2010

The above FRSs, amendments to FRSs and IC Interpretations are not expected to have any material impact on the financial statements of the Group except for the followings:

**Amendment to FRS 117 Leases**

The Group has reassessed and reclassified the leasehold lands which are in substance finance leases to property, plant and equipment. The reclassification has been accounted for retrospectively and certain comparative figures as at 31 March 2010 have been restated as shown in Table 1 below.

**FRS 139 Financial Instruments: Recognition and Measurement**

The adoption of FRS 139 has resulted in the prospective adjustment of the following opening balances in the statements of financial position as at 1 January 2010 due to the recognition of available-for-sale as shown in Table 1 below.

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

**NOTES TO INTERIM FINANCIAL REPORT - 30 JUNE 2010**

<b>Table 1</b>	3/31/2010 Previously Stated RM'000	Effect of Adopting Amendment to FRS 117 RM'000	Effect of Adopting FRS 139 RM'000	01/04/2010 As Adjusted RM'000
Property, plant and equipment	57,317	2,137	-	59,454
Prepaid lease payments	2,137	(2,137)	-	-
Other financial assets	189	-	(1)	188
Fair value reserves	-	-	(1)	(1)

**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 2010.

**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

**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 during the current quarter ended 30 June 2010.

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

**NOTES TO INTERIM FINANCIAL REPORT - 30 JUNE 2010**

**8 Segmental information**

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

Analysis by activity	Transportation and logistics services RM'000	Trading RM'000	Others RM'000	Total RM'000
<u>Revenue</u>				
Total revenue	21,478	7,410	201	29,089
Inter-segment revenue	-	-	-	-
	<u>21,478</u>	<u>7,410</u>	<u>201</u>	<u>29,089</u>
<u>Result</u>				
Segment result	775	171	98	1,044
Interest income	17	-	-	17
Finance costs	(393)	(61)		(454)
Share of profit of associates	173	-	-	173
Profit before taxation	<u>572</u>	<u>110</u>	<u>98</u>	<u>780</u>
Tax expense	(79)	(8)	-	(87)
Profit for the period	<u>493</u>	<u>102</u>	<u>98</u>	<u>693</u>
<u>Assets</u>				
Segment assets	110,893	11,575	1,086	123,554
Interest-earning assets	161	-	-	161
	<u>111,054</u>	<u>11,575</u>	<u>1,086</u>	<u>123,715</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.

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

**NOTES TO INTERIM FINANCIAL REPORT - 30 JUNE 2010**

**11 Changes in composition of the Group**

There were no changes in the composition of the Group during the quarter under review other than the acquisition of a shelf company, Dyna Elegan Sdn. Bhd. for a consideration of RM2 representing its issued and paid-up capital.

**12 Changes in contingent liabilities/contingent assets**

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

**13 Capital commitments**

	As at 30-Jun-10 RM'000
Contracted but not provided for	<u>10,989</u>

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

The Group's performance has significantly improved compared to the preceding year corresponding quarter. Revenue has increased by nearly 30% at RM29.1 million compared to RM22.6 million in the quarter ended 30 June 2009. The increase is mainly contributed by the trading business segment where trading turnover jumped to RM7.4 million from RM3.7 million as manufacturing activities and infrastructure development activities pick-up. Operating profit showed a similar increase in margin over the preceding year corresponding quarter at RM1,061,000 against RM810,000 while profit after tax compares favourably at RM693,000 against the loss reported of RM76,000 in the preceding year corresponding quarter.

**15 Results against preceding quarter**

The current quarter's operating profit of RM1.06 million is lower compared to the preceding quarter's result of RM1.3 million as it includes a net provision for doubtful debts of RM398,000. Nevertheless, savings in financing costs in the current quarter due to the final settlement of asset financing liabilities as well as conversion of certain short term bank borrowings into lower cost financial instruments has enabled the Group to report a profit before tax of RM780,000 comparable to the preceding quarter's result of RM815,000.

**16 Prospects for the remaining quarters**

Barring any unforeseen circumstances, the overall financial performance of the Group is expected to be satisfactory taking into consideration of the current economic environment.

**17 Profit forecast**

Not applicable as no profit forecast was published.

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

**NOTES TO INTERIM FINANCIAL REPORT - 30 JUNE 2010**

**18 Tax expense**

	Current Year Quarter 30-Jun-10 RM'000	Preceding Year Corresponding Quarter 30-Jun-09 RM'000	Current Year To date 30-Jun-10 RM'000	Preceding Year To date 30-Jun-09 RM'000
Current tax expense				
- Current period	83	292	83	292
- Prior years	4	-	4	-
	<b>87</b>	292	<b>87</b>	292
Deferred taxation				
- Current period	-	-	-	-
- Prior years	-	-	-	-
	<b>87</b>	292	<b>87</b>	292

The effective tax rate is lower than the statutory tax rate due to the utilisation of the tax losses of certain subsidiaries.

**19 Unquoted investments and properties**

	Current Year Quarter RM'000	Current Year To date RM'000
<b>Loss from sale of property</b>	45	45

There were no disposal of unquoted investment during the financial period under review.

**20 Quoted investments**

	As at 30-Jun-10 RM'000
Total investment at cost	21
Total investment at carrying value	19
Total investment at market value	19

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

**NOTES TO INTERIM FINANCIAL REPORT - 30 JUNE 2010**

**21 Status of corporate proposals announced**

There were no corporate proposals announced but not completed as at 24 August 2010 (the latest practicable date which is not earlier than 7 days from the date of this quarterly report).

**22 Group borrowings and debts securities**

	30-Jun-10 RM'000
Current	
- Secured	2,368
- Unsecured	<u>29,618</u>
	<u><u>31,986</u></u>
Non-current	
- Secured	3,392
- Unsecured	<u>1,868</u>
	<u><u>5,260</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 24 August 2010 (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 24 August 2010 (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:

	<b>Weighted Average No. of Shares</b>	
	<b>Current Year Quarter 30-Jun-10 '000</b>	<b>Current Year To date 30-Jun-10 '000</b>
For computing basic earnings per share	40,128	40,128
No. of shares under ESOS deemed to have been issued for no consideration	-	-
For computing diluted earnings per share	<u><u>40,128</u></u>	<u><u>40,128</u></u>

**BY ORDER OF THE BOARD**

**Lam Voon Kean**  
 Company Secretary

Dated this 30th day of August, 2010.