

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

NOTES TO INTERIM FINANCIAL REPORT - 31 DECEMBER 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.

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Table 1

	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

The shareholders approved the payment of a final dividend of 5.4% less 25% tax amounting to RM1,625,168 for the financial year ended 31 March 2010 at the Fourteenth Annual General Meeting held on 15 September 2010. The said dividend was paid on 8 October 2010 to depositors registered in the Record of Depositors as at 20 September 2010.

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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	63,838	33,012	469	97,319
Inter-segment revenue	-	-	-	-
	63,838	33,012	469	97,319
<u>Result</u>				
Segment result	2,008	172	58	2,238
Interest income	260	-	-	260
Finance costs	(1,068)	(295)	-	(1,363)
Share of profit of associates	495	-	-	495
Profit before taxation	1,695	(123)	58	1,630
Tax expense	(547)	(193)	(2)	(742)
Profit for the period	1,148	(316)	56	888
<u>Assets</u>				
Segment assets	106,336	20,350	1,185	127,871
Interest-earning assets	172	-	-	172
	106,508	20,350	1,185	128,043

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 Group:-

i) acquired the remaining equity interest in See Hup Transport Company Sdn Bhd from a minority shareholder for a consideration of RM58,329 resulting in the later becoming a wholly-owned subsidiary.

ii) incorporated a 75% owned subsidiary during the quarter under review.

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12 Changes in contingent liabilities/contingent assets

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

13 Capital commitments

	As at 31-Dec-10 RM'000
Contracted but not provided for	10,989

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

The Group is reporting revenue of RM36.0 million in the current quarter compared to RM26.0 million in the last corresponding quarter. This has enabled the Group to achieve a total revenue of RM97.3 million in the current year to date, an increase of RM21.9 million or 29% over the last corresponding period total revenue of RM75.4 million. The higher revenue was mainly contributed by an increase in trading activity. Lower financing costs and improved results by associates contributed to a favourable current year to date profit before tax of RM1.63 million compared to RM1.5 million in the preceding corresponding period. Net profit however is at RM888,000 compared to the last corresponding period of RM909,000 due higher tax expense as a result of lower available tax credits to offset taxable income.

15 Results against preceding quarter

Operating profit is RM640,000 in the current quarter compared to the preceding quarter of RM770,000. However, lower financing costs and higher contribution from associates enabled the Group to report current year profit before tax of RM482,000 against RM368,000 in the preceding quarter. The higher tax charge in the current quarter led to a RM39,000 net loss in the current quarter compared to a profit of RM234,000 reported in the preceding quarter. The higher tax charge arose from additional taxes in respect of prior years due to under provision of taxes payable and additional taxes determined on conclusion of tax audits.

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.

18 Tax expense

	Current Year Quarter 31-Dec-10 RM'000	Preceding Year Corresponding Quarter 31-Dec-09 RM'000	Current Year To date 31-Dec-10 RM'000	Preceding Year To date 31-Dec-09 RM'000
Current tax expense				
- Current period	(37)	56	218	383
- Prior years	558	201	563	201
	521	257	781	584
Deferred taxation				
- Current period	-	-	(39)	-
- Prior years	-	-	-	-
	-	-	(39)	-
	521	257	742	584

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

19 Retained profits

	As at 31-Dec-10 RM'000	As at 30-Sep-10 RM'000
Total retained profit of See Hup Consolidated Berhad and its subsidiaries		
-Realised	16,968	18,816
-Unrealised	(4,251)	(4,251)
	12,717	14,565
Total share of retained profits from associated companies		
-Realised	1,538	1,361
-Unrealised	(100)	(100)
	14,155	15,826
Less : Consolidation adjustments	(4,725)	(5,128)
	9,430	10,698

20 Unquoted investments and properties

	Current Year Quarter RM'000	Current Year To date RM'000
Loss from sale of property	-	45

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

21 Quoted investments

	As at 31-Dec-10 RM'000
Total investment at cost	21
Total investment at carrying value	20
Total investment at market value	20

22 Status of corporate proposals announced

There were no corporate proposals announced but not completed as at 23 February 2011 (the latest practicable date which is not earlier than 7 days from the date of this quarterly report).

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23 Group borrowings and debts securities

	31-Dec-10 RM'000
Current	
- Secured	3,104
- Unsecured	37,233
	<u>40,337</u>
Non-current	
- Secured	3,900
- Unsecured	1,541
	<u>5,441</u>

The above borrowings are denominated in Ringgit Malaysia.

24 Proposed Dividend

The Directors proposed an interim dividend of 5.4% less 25% tax in respect of financial year ending 31 March 2011 for payment at a date to be determined.

25 Changes in material litigation

The Group was not engaged in any material litigation as at 23 February 2011 (the latest practicable date which is not earlier than 7 days from the date of this quarterly report).

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:

	<u>Weighted Average No. of Shares</u>	
	<u>Current Year Quarter 31-Dec-10 '000</u>	<u>Current Year To date 31-Dec-10 '000</u>
For computing basic earnings per share	40,492	40,355
No. of shares under ESOS deemed to have been issued for no consideration	-	-
For computing diluted earnings per share	<u>40,492</u>	<u>40,355</u>

BY ORDER OF THE BOARD

Lam Voon Kean
Company Secretary

Dated this 28th day of February, 2011.