

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

NOTES TO INTERIM FINANCIAL REPORT - 31 MARCH 2011

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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NOTES TO INTERIM FINANCIAL REPORT - 31 MARCH 2011

Table 1

	31/03/2010 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 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

During the financial period under review, the Company's paid-up capital was increased from RM40,127,600 to RM40,677,600 by way of an issue of 550,00 new ordinary shares of RM1 each pursuant to the exercise of share options under its ESOS at an option price of RM1 per share.

There were no other issuance, cancellations, repurchase, resale and repayments of debt and equity securities during the financial period review.

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.

No dividend was paid during the quarter under review.

During the financial period under review, the Directors approved the payment of an interim dividend of 5.4% less 25% tax in respect of the financial year ending 31 March 2011. The interim dividend was paid on 4 May 2011.

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NOTES TO INTERIM FINANCIAL REPORT - 31 MARCH 2011

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	83,329	47,843	548	131,720
Inter-segment revenue	-	-	-	-
	<u>83,329</u>	<u>47,843</u>	<u>548</u>	<u>131,720</u>
<u>Result</u>				
Segment result	2,114	160	(68)	2,206
Interest income	522	-	-	522
Finance costs	(1,732)	(354)	-	(2,086)
Share of profit of associates	470	-	-	470
Profit/(Loss) before taxation	<u>1,374</u>	<u>(194)</u>	<u>(68)</u>	<u>1,112</u>
Tax expense	(714)	(221)	16	(919)
Profit/(Loss) for the period	<u>660</u>	<u>(415)</u>	<u>(52)</u>	<u>193</u>
<u>Assets</u>				
Segment assets	105,833	19,461	1,121	126,415
Interest-earning assets	1,142	-	-	1,142
	<u>106,975</u>	<u>19,461</u>	<u>1,121</u>	<u>127,557</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 financial period 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.

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NOTES TO INTERIM FINANCIAL REPORT - 31 MARCH 2011

11 Changes in composition of the Group

During the quarter under review, the Group:-

- i) acquired 50,000 ordinary shares of RM1 each in See Hup Pioneer Logistics Sdn. Bhd. from a minority shareholder for a consideration of RM50,000 resulting in an increase in its equity ownership from 54% to 56.5%.
- ii) increased the paid-up capital of SH Global Freight Sdn Bhd from RM50,000 to RM100,000 by way of a rights issue.

12 Changes in contingent liabilities/contingent assets

There were no contingent liabilities/assets as at the interim reporting date.

13 Other financial assets

	Current Year Quarter RM'000	Current Year To date RM'000
Impairment loss on other financial assets	66	66

14 Capital commitments

	As at 31-Mar-11 RM'000
Contracted but not provided for	10,989

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

Reported revenue in the current quarter is RM34.4 million compared to RM23.1 million in the preceding corresponding quarter. The higher revenue which was mainly contributed by the increase in trading revenue enabled the Group to report total revenue of RM131.7 million against RM98.3 million in the financial year ended 31 March 2010. However, the Group's operating profit is lower at RM2.7 million compared to RM4.2 million in the preceding year due to bad debts written-off, losses on disposal of certain property, plant and equipment and increase in maintenance costs incurred by its haulage division.

16 Results against preceding quarter

The operating profit of RM230,000 in the current quarter is lower compared to the preceding quarter's profit of RM640,000. The operating profit was adversely affected by losses arising from disposal of certain machinery by a subsidiary engaged in the hiring of heavy equipment & machinery. Higher interests costs on drawdown of asset financing loans and lower contribution from results of associates led the Group to report a net loss before tax of RM518,000 compared to the reported profit of RM482,000 in the last preceding quarter.

17 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.

18 Profit forecast

Not applicable as no profit forecast was published.

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NOTES TO INTERIM FINANCIAL REPORT - 31 MARCH 2011

19 Tax expense

	Current Year Quarter 31-Mar-11 RM'000	Preceding Year Corresponding Quarter 31-Mar-10 RM'000	Current Year To date 31-Mar-11 RM'000	Preceding Year To date 31-Mar-10 RM'000
Current tax expense				
- Current period	565	219	783	649
- Prior years	(76)	-	487	153
	489	219	1,270	802
Deferred taxation				
- Current period	(182)	310	(221)	93
- Prior years	(130)	(57)	(130)	24
	(312)	253	(351)	117
	177	472	919	919

The effective tax rate is higher than the statutory tax rate due to tax payable by certain profit-making subsidiaries and certain expenses being disallowed for tax purpose.

20 Retained profits

	As at 31-Mar-11 RM'000	As at 31-Dec-10 RM'000
Total retained profit of See Hup Consolidated Berhad and its subsidiaries		
-Realised	15,721	16,968
-Unrealised	(3,693)	(4,251)
	12,028	12,717
Total share of retained profits from associated companies		
-Realised	1,562	1,538
-Unrealised	(149)	(100)
	13,441	14,155
Less : Consolidation adjustments	(4,332)	(4,725)
	9,109	9,430

21 Unquoted investments and properties

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

There was no disposal of unquoted investment during the quarter under review.

22 Quoted investments

	As at 31-Mar-11 RM'000
Total investment at carrying value	20
Total investment at market value	20

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(Company no. 391077-V)
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(and its subsidiaries)

NOTES TO INTERIM FINANCIAL REPORT - 31 MARCH 2011

There were no purchase and disposal of quoted investment during the financial period under review.

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NOTES TO INTERIM FINANCIAL REPORT - 31 MARCH 2011

23 Status of corporate proposals announced

There were no corporate proposals announced but not completed as at 25 May 2011 (the latest practicable date which is not earlier than 7 days from the date of this quarterly report).

24 Group borrowings and debts securities

	As at 31-Mar-11 RM'000
Current	
- Secured	2,563
- Unsecured	28,492
	31,055
Non-current	
- Secured	4,507
- Unsecured	4,434
	8,941

The above borrowings are denominated in Ringgit Malaysia.

25 Changes in material litigation

The Group was not engaged in any material litigation as at 25 May 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:

	Weighted Average No. of Shares	
	Current Year Quarter 31-Mar-11 '000	Current Year To date 31-Mar-11 '000
For computing basic earnings per share	40,678	40,355
No. of shares under ESOS deemed to have been issued for no consideration	-	-
For computing diluted earnings per share	40,678	40,355

BY ORDER OF THE BOARD

Lam Voon Kean
 Company Secretary

Dated this 31st day of May, 2011.