

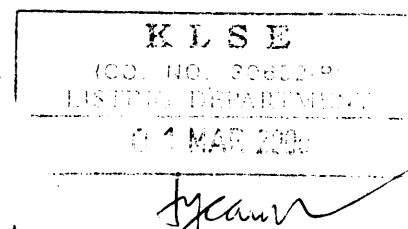
# SENG HUP

## SENG HUP CORPORATION BERHAD (3707-M)

(Incorporated in Malaysia)

Special Administrators Appointed

The Special Administrators hereby announce the following:

**UNAUDITED RESULTS OF THE 3RD QUARTER ENDED 31 DECEMBER 1999****CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/99 RM '000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/98 RM '000	CURRENT YEAR TO DATE 31/12/99 RM '000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/98 RM '000
1 (a) Turnover	6,688	N/R	23,491	N/R
(b) Investment income	-	N/R	-	N/R
(c) Other income including interest income	89	N/R	344	N/R
2 (a) Operating profit/(loss) before interest on borrowing, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	1,543	N/R	(1,033)	N/R
(b) Interest on borrowings	(1,310)	N/R	(3,008)	N/R
(c) Depreciation and amortisation	(465)	N/R	(1,252)	N/R
(d) Exceptional items	(310)	N/R	(19,918)	N/R
(e) Operating profit/(loss) after interest on borrowings, depreciation and amortisation and exceptional items but before income tax, minority interests and extraordinary items	(768)	N/R	(25,209)	N/R
(f) Share in the results of associated companies	-	N/R	-	N/R
(g) Profit/(loss) before taxation, minority interests and extraordinary items	(768)	N/R	(25,209)	N/R
(h) Taxation	-	N/R	-	N/R
(i) Profit/(loss) after taxation before deducting minority interests	(768)	N/R	(25,209)	N/R
(ii) Less minority interests	16	N/R	18	N/R
(j) Profit/(loss) after taxation attributable to members of the company	(752)	N/R	(25,191)	N/R
(k) (i) Extraordinary items	-	N/R	-	N/R
(ii) Less minority interests	-	N/R	-	N/R
(iii) Extraordinary items attributable to members of the company	-	N/R	-	N/R
(l) Profit/(loss) after taxation and extraordinary items attributable to members of the company	(752)	N/R	(25,191)	N/R
3(a) Earnings per share based on 2(i) above after deducting any provisions for preference dividends, if any:				
(i) Basic (based on 19,998,000 shares)-(sen)	(3.76)	N/R	(125.97)	N/R
(ii) Fully diluted (based on 19,998,000 shares) - (sen)	(3.76)	N/R	(125.97)	N/R
4(a) Dividend per share (sen)	-	N/R	-	N/R
(b) Dividend description	-	N/R	-	N/R
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END
5 Net tangible assets per share (RM)		(2.59)		(1.62)

**Notes:**

N/R - Not required (The third quarter report for the preceding year's results were previously not needed for announcement)

## UNAUDITED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 1999

	AS AT END OF CURRENT QUARTER 31/12/99 <u>RM '000</u>	AS AT PRECEDING FINANCIAL YEAR END 31/3/99 <u>RM '000</u>
1 Fixed Assets	35,212	37,568
2 Investments In Associated Companies	34	34
3 Long Term Investments	-	-
4 Intangible Assets	-	-
5 Current Assets		
Stocks & Project Work In Progress	6,170	14,689
Trade Debtors	7,090	12,663
Other Debtors, Deposits & Prepayments	5,466	8,568
Fixed Deposits With A Licensed Bank	648	95
Cash & Bank Balances	1,838	773
	<u>21,212</u>	<u>36,988</u>
6 Current Liabilities		
Trade Creditors & Bills Payable	18,152	22,018
Other Creditors & Accruals	19,619	15,072
Hire Purchase Creditors	1,264	1,151
Finance Lease Creditors	28	71
Amount Due To Directors	-	84
Bank Borrowings	53,520	53,790
Bank Overdrafts	12,185	11,030
Provision For Taxation	2,427	2,441
	<u>107,185</u>	<u>106,557</u>
7 Net Current Assets/(Liabilities)	(85,973)	(69,569)
8 Deferred Expenditure	154	5,902
	<u>(50,573)</u>	<u>(26,065)</u>
9 Share Capital	19,998	19,998
Reserves		
Revaluation Reserves	2,327	2,327
Capital Reserves	88	88
Other Reserves	73	73
Exchange Differences	3,701	2,853
Accumulated Losses	(76,966)	(51,776)
Shareholders' Funds	(50,779)	(28,437)
10 Minority Interests	206	223
11 Long Term Borrowings	-	-
12 Other Long Term Liabilities	-	149
	<u>(50,573)</u>	<u>(26,065)</u>

## Notes

## 1. Accounting Policies

The third quarterly financial statements have been prepared using the same accounting policies, method of computation and basis of consolidation with those used in the preparation of the most recent annual financial statements.

**2. Exceptional item**

Exceptional items consist of the following:-

	INDIVIDUAL QUARTER 31/12/99 <u>RM'000</u>	CUMULATIVE QUARTER 31/12/99 <u>RM'000</u>
Additional provision for stocks	-	(2,375)
Provision for trade and other debtors in the accounts of foreign subsidiaries	-	(11,806)
Brought forward deferred expenditure of a foreign subsidiary written off	-	(7,827)
Foreign exchange translation arising from assets of foreign subsidiaries previously provided for	(2,000)	-
Profit on disposal of property	2,090	2,090
Total	<u>(516)</u>	<u>(19,918)</u>

**3. Extraordinary Item**

There was no extraordinary item in the quarter under review.

**4. Taxation**

The group has not made any provision for taxation for the quarter under review and there is no deferred taxation and/or adjustment for under or over provisions in respect of prior years. There is no foreign taxation in the quarter under review.

**5. Pre-Acquisition Profit**

There were no pre-acquisition profit or losses for the current quarter ended 31 December 1999.

**6. Profit On Sale Of Investments And/Or Properties**

The profit from sale of investments and/or properties for the current quarter ended 31 December 1999 arose from the disposal of an apartment at No.50, Draycott Park, #17-01 Draycott Tower, Singapore 1025, by a Singapore subsidiary for a consideration of RM4,256,000 (S\$1,900,000) resulting in a profit of RM2,090,168 (S\$933,112).

**7. Purchases And Sales Of Quoted Securities**

There were no purchases or sales of quoted securities for the current quarter ended 31 December 1999.

**8. Changes In The Composition Of The Group**

There were no changes in the composition of the Group for the current quarter ended 31 December 1999 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

**9. Status Of Corporate Proposals**

There were no corporate proposals announced but not completed in the interval between 22 February 2000 and the date of this announcement.

**10. Seasonal Or Cyclical Factors**

Our business operations are affected by major festive seasons and promotional activities conducted by the Group. Sales during the last quarter of the year is always higher while sales during February and March are the lowest as most installation of lighting are completed before the major festivals.

**11. Corporate Developments**

There have been no issuances and repayment of debts and equity securities, share buy backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter ended 31 December 1999. On 9 September 1999, Pengurusan Danaharta Nasional Berhad appointed Special Administrator to manage the assets and affairs of the Company pursuant to the Pengurusan Danaharta Nasional Berhad Act, 1998.

**12. Group Borrowings And Debt Securities**

a) The Group borrowings consist mainly of short term facilities and are classified as secured and unsecured as follows:-

	<u>31/12/1999</u> RM'000	<u>31/3/1999</u> RM'000
Secured	13,055	13,290
Unsecured	40,465	40,500
	<u>53,520</u>	<u>53,790</u>
b) Foreign borrowings in Ringgit equivalent are as follows:-		
US Dollars (Secured)	<u>8,004</u>	<u>9,018</u>

**13. Contingent Liabilities**

As at the date of this announcement, the Company has contingent liabilities estimated at RM5,000,000 in respect of a defamation suit, and other legal suits totalling RM326,000, instituted by third parties, former directors and former employees.

**14. Off Balance Sheet Financial Instruments**

There were no material financial instruments with off balance sheet risk during the current quarter ended 31 December 1999.

**15. Material Litigation**

In addition to Note 13 above, the Company has commenced legal proceedings against certain debtors in the normal course of business to recover debts amounting to approximately RM6,000,000.

**16. Segmental Reporting**

As the principal business of the Group is in lighting, segmental reporting is not necessary.

**17. Comment On Financial Results (Current Quarter Compared With The Preceding Quarter)**

The Group turnover in the third quarter of 1999 improved to RM6.7 million as compared to RM6.2 million in the second quarter. The Group loss before tax and exceptional item in the third quarter of 1999 was reduced to RM0.25 million as compared to RM3.1 million in the second quarter of 1999. This was mainly due to better margin from the retail sales.

**18. Review Of Performance Of The Company And Its Principal Subsidiaries**

The Group's results for the year to date continued to suffer a loss due to high interest charges and the write-down of stocks and debtors although monthly operating revenue has been improving due to the ability to purchase new stocks and the improving general economy.

**19. Prospects For The Current Financial Year**

The Group foresees a more competitive business environment as a result of more significant competition in the market. The decorative lighting business in Malaysia and Singapore has seen a shift to lower cost suppliers from China compared to European sources thereby resulting in lower selling prices and gross profit. The non-renewal of tenancy of a major showroom in our Singapore subsidiary has resulted in its closure in August 1999. We expect lower sales from our Singapore subsidiary before the new showroom opened as replacement in November 1999 and achieving its full sales potential. Accordingly, the Special Administrators expect that the Group will continue to suffer an operating loss for the year at the current level. The Special Administrators are in the process of preparing a plan for the proposed restructuring of the Group to improve its financial position and future results.

**20. Variance Of Actual Profit From Forecast Profit/Profit Guarantee**

There is no profit forecast or profit guarantee issued during the financial year.

**21. Dividend**

There is no dividend recommended for the quarter ended 31 December 1999.



Pow Tuck Weng  
Secretary

Kuala Lumpur  
29 February 2000