

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010

A. NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING

A1. Basis of reporting preparation

The interim financial statements are unaudited and have been prepared in accordance with FRS 134: Interim Financial Reporting and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the proforma consolidated financial information, the Accountants’ Report and the audited financial statements of the Company for the financial year ended 31 December 2009 as disclosed in the Prospectus of the Company dated 30 June 2010 and the accompanying explanatory notes attached to the interim financial report.

A2. Summary of significant accounting policies

Saved as disclosed below, the significant accounting policies adopted are consistent with the Proforma Consolidated Financial Information, the Accountants’ Report and the audited financial statements for the financial year ended 31 December 2009 as disclosed in the Prospectus of the Company dated 30 June 2010.

On 1 January 2010, the Group had adopted the following Financial Reporting Standards, Issues Committee (“IC”) Interpretations and amendments/improvements to FRSs mandatory for the financial period beginning on or after 1 July 2009 and 1 January 2010:-

FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 139	Financial Instruments : Recognition and Measurement	1 January 2010
FRS 101	Presentation of Financial Statements	1 January 2010
FRS 123	Borrowing costs	1 January 2010
<u>Amendments/Improvements to FRSs</u>		
FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2010
FRS 2	Share-based Payment	1 January 2010
FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2010
FRS 7	Financial Instruments: Disclosure	1 January 2010
FRS 8	Operating Segments	1 January 2010
FRS 107	Statement of Cash Flows	1 January 2010
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2010
FRS 110	Events After the Reporting Period	1 January 2010
FRS 116	Property, Plant and Equipment	1 January 2010
FRS 117	Leases	1 January 2010
FRS 118	Revenue	1 January 2010
FRS 119	Employee Benefits	1 January 2010

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A2. Summary of significant accounting policies (Continued)

FRS 120	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2010
FRS 123	Borrowing Costs	1 January 2010
FRS 127	Consolidated and Separate Financial Statements : Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
FRS 128	Investment in Associates	1 January 2010
FRS 129	Financial Reporting in Hyperinflationary Economies	1 January 2010
FRS 131	Interests in Joint Ventures	1 January 2010
FRS 132	Financial Instruments: Presentation	1 January 2010
FRS 134	Interim Financial Reporting	1 January 2010
FRS 136	Impairment of Assets	1 January 2010
FRS 138	Intangible Assets	1 January 2010
FRS 139	Financial Instruments : Recognition and Measurement	1 January 2010
FRS 140	Investment Property	1 January 2010
<u>IC Int</u>		
IC Int 9	Reassessment of Embedded Derivatives	1 January 2010
IC Int 10	Interim Financial Reporting and Impairment	1 January 2010
IC Int 11	FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Int 13	Customer Loyalty Programmes	1 January 2010
IC Int 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
Amendments to IC Int		
IC Int 9	Reassessment of Embedded Derivatives	1 January 2010

The adoption of the above did not have any significant effects on the interim financial report upon their initial application, other than as below:

FRS 101: Presentation of Financial Statements (revised)

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity, if any, will be presented as a single line labeled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the statement of comprehensive income. The adoption of this standard does not have any impact on the financial position and results of the Group.

FRS 139: Financial Instruments: Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial statements. The Group determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 January 2010.

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A2. Summary of significant accounting policies (Continued)

Financial assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available for sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial assets include cash and short-term deposits and receivables and available-for-sale (AFS) investments.

- (i) **Loan and receivables**
Prior to 1 January 2010, loan and receivables were stated at gross receivables less provision for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate (EIR) method. Gains and losses arising from the derecognition of the loans and receivables, EIR amortization and impairment losses are recognised in income statement.
- (ii) **AFS investment**
Prior to 1 January 2010, AFS financial assets such as investments were accounted for at cost adjusted for amortisation of premium and accretion of discount less impairment or at the lower of cost and market value, determined on an aggregate basis. Under FRS 139, AFS financial assets is measured at fair value initially and subsequently with amortisation of premium with accretion of discount and other accrual of income recognised in statement of comprehensive income and with unrealised gains or losses recognised in statement of other comprehensive income and removed from AFS reserve.

A3. Auditors' report

There was no qualification on the audited financial statements of the Company and its subsidiaries for the FYE 31 December 2009.

A4. Seasonal or cyclical factors

The principal business operations of the Group were not significantly affected by seasonal or cyclical factors during the current quarter under review.

A5. Items of unusual nature and amount

Save for the negative goodwill on acquisition of subsidiaries, there were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence during the current quarter under review.

A6. Material changes in estimates

There were no changes in the estimates of amounts reported in prior interim periods/financial years that had a material effect in the current quarter under review as this is the first interim report being announced by the Company.

A7. Issuances, cancellations, repurchase, resale and repayments of debt and equity securities

In conjunction with and as an integral part of the listing of SCC Holdings Berhad on the ACE Market of Bursa Securities, the Company undertook the following transactions:-

- (a) Issue 16 new ordinary shares of RM0.50 each (allotted on 27 January 2010)

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A7. Issuances, cancellations, repurchase, resale and repayments of debt and equity securities (Continued)

(b) Issue 39,980 new ordinary shares of RM0.50 each (allotted on 26 March 2010)

(c) Acquisition by SCC of the entire issued and paid-up share capital of SCC Corporation Sdn Bhd comprising 2,920,548 ordinary shares of RM1.00 each for a total purchase consideration of RM12,900,000 to be satisfied through the issuance of 25,800,000 new ordinary shares of RM0.50 each in SCC at par;

(d) Acquisition by SCC of the entire issued and paid-up share capital of Anitox (M) Sdn Bhd comprising 800,000 ordinary shares of RM1.00 each for a total purchase consideration of RM2,900,000 to be satisfied through the issuance of 5,800,000 new ordinary shares of RM0.50 each in SCC Holdings Berhad at par;

The above mentioned acquisitions were completed on 24 June 2010.

A8. Dividends paid

No dividend was paid during the current quarter under review.

A9. Segmental information

Segmental information is not provided as the Group is principally engaged in the trading of both animal health products and food service equipment and its sales are principally to the local market.

A10. Valuation of property, plant and equipment

There was no valuation of property, plant and equipment in the current quarter under review.

A11. Capital commitments

As at the balance sheet date, there were no outstanding capital commitments not provided for in the financial statements.

A12. Material subsequent event

The entire issued and paid-up share capital of the Company of RM21,378,500 comprising 42,757,000 ordinary shares of RM0.50 each was listed and quoted on the ACE Market of Bursa Securities on 3 August 2010.

A13. Changes in the Composition of the Group

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

A14. Contingent Liabilities and Contingent Assets

There were no contingent liabilities and contingent assets, which upon becoming enforceable may have a material effect on the net assets, profits or financial position of our Group for the current quarter under review.

A15. Significant Related Party Transactions

Save as disclosed in the Prospectus dated 30 June 2010, there were no other significant related party transactions.

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B. ADDITIONAL INFORMATION REQUIRED UNDER THE ACE LR

B1. The Group achieved revenue of RM0.403 million and a profit after tax of RM3.2 million for the current quarter ended 30 June 2010.

B2. Material changes in the Current Quarter's results compared to the results of the immediate Preceding Quarter

No comparative figures are presented for the immediate preceding quarter as this is the first interim financial report being announced by the Company. Moreover, the Group was only formed on 24 June 2010.

B3. Prospects

The Malaysian animal feed additives market faces a bright outlook with an expected compound annual growth rate ("CAGR") of 5.9% over the next five (5) years to RM270.8 million in 2014 whilst the Malaysian food service equipment market is also expected to grow at a CAGR of 8.3% over the next 5 years to RM434.5 million in 2014.

Barring any unforeseen circumstances, the Board of Directors is optimistic about the Group's performance for the financial year ending 31 December 2010.

B4. Profit forecast

No profit forecast has been issued by the Group previously in any public document.

B5. Taxation

	Current quarter ended 30-Jun-10 RM' 000	Current period to-date 30-Jun-10 RM' 000
Current tax	21	21
Deferred tax	-	-
	<u>21</u>	<u>21</u>

The Group's effective tax rate for the current quarter and the current period of 30% were higher than the statutory rate of 25%. This was mainly due certain expenses disallowed for tax purposes. The negative goodwill from acquisition is however a non-taxable item.

B6. Profit from sale of unquoted investments and or properties

There was no disposal of unquoted investments or properties for the current quarter under review.

B7. Quoted securities

(a) Investments in quoted securities as at 30 June 2010 were as follows:

	Cost RM	Book Value RM	Market Value RM
Quoted shares	24,323	24,323	24,001

The Company purchased 1000 units of quoted securities at a price of RM0.25 each in the quarter ended 30 June 2010 and there was no disposal of quoted securities for the current quarter under review.

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B8. Status of Corporate Proposal

In conjunction with the initial public offering and pursuant to the Prospectus, the Company carried out a public issue of 11,117,000 new ordinary shares of RM0.50 each at an issue price of RM0.78 per share. The entire issued and paid-up share capital of the Company of RM21,378,500 comprising 42,757,000 ordinary shares of RM0.50 each was listed and quoted on the ACE Market of Bursa Securities on 3 August 2010.

Other than the above, there is no other corporate proposal announced but not completed at a date not earlier than 7 days from the date of this quarterly report.

Utilisation of IPO Proceeds

As at 30 June 2010, the Company has yet to be listed on the ACE Market of Bursa Securities and henceforth there was no utilisation of IPO proceeds as yet.

B9. Group borrowings and debt securities

The Group's borrowings as at 30 June 2010 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Long term borrowings:-</u>			
Hire purchases		131	131
	-	131	131
<u>Short term borrowings:-</u>			
Bills Payable		1,059	1,059
Hire purchases		114	114
Bank Overdraft		229	229
	-	1,402	1,402
Total	-	1,533	1,533

The above borrowings are denominated in Ringgit Malaysia.

B10. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off-balance sheet risk as at the date of this quarterly report.

B11. Material Litigation

As at the date of this announcement, neither the Company nor any of its subsidiary is engaged in any material litigation and/or arbitration either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiaries and the Directors are not aware of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Company or its subsidiaries.

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B12. Dividend

No dividend has been declared or recommended in respect of the financial quarter under review.

B13. Earnings per share

The basic and diluted earnings per share is calculated based on the Group's comprehensive income attributable to equity holders of the Company divided by the weighted average number of ordinary shares as follows:

	Current Quarter Ended 30-Jun-10	Corresponding Quarter Ended 30-Jun-09	Current Year-To-Date Ended 30-Jun-10	Corresponding Year -To -Date Ended 30-Jun-09
Group's comprehensive income attributable to equity holders of the Company (RM'000)	3,206	N/A	3,206	N/A
Weighted average number of ordinary shares ('000)	2,471	N/A	1,244	N/A
Earnings per share (RM):				
- Basic	1.30	N/A	2.58	N/A
- Diluted*	1.30	N/A	2.58	N/A

Note:

*The Group does not have any outstanding convertible securities.

By order of the Board
SCC Holdings Berhad

Wong Keo Rou (MAICSA 7021435)
Kok Ling Hua (LS 000932)
Company Secretaries
Kuala Lumpur

Date: 27 August 2010