

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010**

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 Securities.

The interim financial statements should be read in conjunction with the proforma consolidated financial information and the Accountants' Report as disclosed in the Prospectus of the Company dated 30 June 2010 and the Audited Financial Statements of the Company for the FYE 31 December 2009 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 and the Accountants' Report as disclosed in the Prospectus of the Company dated 30 June 2010 and the Audited Financial Statements for the FYE 31 December 2009.

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

Amendments/Improvements to FRSs

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

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A2. Summary of significant accounting policies (Continued)

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
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.

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**A2. Summary of significant accounting policies (Continued)**

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.

**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.

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**A5. Items of unusual nature and amount**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial 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 third 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 (“SCC”) on the ACE Market of Bursa Securities, the Company undertook the following transactions:-

- (a) Issuance of 16 new ordinary shares of RM0.50 each (allotted on 27 January 2010)
- (b) Issuance of 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 (“SCC Corporation”) 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; and
- (d) Acquisition by SCC of the entire issued and paid-up share capital of Anitox (M) Sdn Bhd (“Anitox (M)”) comprising 800,000 ordinary shares of RM1.00 each for a total purchase consideration of RM2,900,000 to be satisfied via the issuance of 5,800,000 new ordinary shares of RM0.50 each in the Company at par.

The above mentioned acquisitions were completed on 24 June 2010. SCC Holdings, SCC Corporation and Anitox (M) are collectively referred as “SCC Holdings Group” or “Group”.

- (e) Public issue of 11,117,000 new ordinary shares of RM0.50 each in SCC (“SCC Holdings Shares”) at an issue price of RM0.78 per ordinary share, details of which are as follows:
  - i. Public**  
2,000,000 new SCC Holdings Shares made available for application by the public;
  - ii. Eligible employees, business associates and persons who have contributed to the success of SCC Holdings Group**  
4,300,000 new SCC Holdings Shares reserved for the eligible employees, business associates and persons who have contributed to the success of the SCC Holdings Group; and

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

iii. **Private placement**

4,817,000 new SCC Holdings Shares made available for application by way of private placement to selected investors.

The above public issue of 11,117,000 new SCC Holdings Shares were allotted on 30 July 2010 as per the Return of Allotment of Shares.

(Collectively referred to as “Public Issue”)

(f) Upon completion of the Public Issue, the issued and paid-up share capital of SCC of RM21,378,500 comprising 42,757,000 SCC Holdings Shares were listed and quoted on the ACE Market of Bursa Securities on 3 August 2010.

**A8. Dividends paid**

The Company paid an interim single-tier dividend of RM427,570 in respect of the FYE 31 December 2010 on 30 December 2010.

**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**

There was no material subsequent event.

**A13. Changes in the Composition of the Group**

There was no changes in the composition of the Group during the current quarter.

**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.

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2010**

**A15. Significant Related Party Transactions**

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

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**B. ADDITIONAL INFORMATION REQUIRED UNDER THE ACE LISTING REQUIREMENT**

**B1. Review of performance**

The Group achieved revenue of RM10.404 million and profit after tax of RM2.089 million for the current quarter ended 31 December 2010.

The Group achieved revenue of RM19.167 million and a profit after tax of RM5.913 million for the current FYE 31 December 2010. Included in the profit after tax are expenses incurred pursuant to our listing on the ACE Market of Bursa Securities in August 2010 amounting to approximately RM936,000, which was recognised in accordance with FRSIC Consensus 13.

**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 third interim financial report being announced by the Company. Moreover, the SCC Holdings Group was only formed on 24 June 2010.

**B3. Prospects**

The Malaysian animal feed additives market is expected to have a positive outlook with an expected compound annual growth rate ("CAGR") of 5.9% from 2009 to 2014 with market size growing to RM270.8 million in 2014 whilst the Malaysian food service equipment market is also expected to grow at a CAGR of 8.3% from 2009 to 2014 with market size growing to RM434.5 million in 2014.

Barring any unforeseen circumstances, the Board of Directors is optimistic of the Group's prospect in the future.

**B4. Profit forecast**

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

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**B5. Taxation**

	<b>Current quarter ended</b>	<b>Current period to-date</b>
	<b>31-Dec-10</b>	<b>31-Dec-10</b>
	<b>RM' 000</b>	<b>RM' 000</b>
Current tax	926	1,210
Deferred tax	4	4
	<u>930</u>	<u>1,214</u>

The Group's effective tax rate for the current quarter of 30.8% is higher than the statutory rate of 25%, whilst the effective tax rate for the current period is 17.0%, which is lower than the statutory rate of 25%. The effective tax rate is higher than the statutory rate for the current quarter mainly due to certain expenses disallowed for tax purposes. The negative goodwill from acquisition of RM3.8 million arising from SCC's listing is a non-taxable item leading to the lower effective tax rate of 17.0% for the current period to date.

**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 31 December 2010 were as follows:

	<b>Cost</b>	<b>Book value</b>	<b>Market Value</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Quoted shares	24	24	38

There was no acquisition and/or disposal of quoted securities for the current quarter under review.



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**B8. Status of Corporate Proposal**

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**

The status of utilisation of the proceeds is as follows:-

Purpose	Proposed utilisation	Actual utilisation	Intended timeframe for utilisation from the listing date (Months)	Balance
	RM'000	RM'000		RM'000
Capital Expenditures	2,000	105	24	1,895
Program development expenditure	3,000	-	36	3,000
Working capital	2,291	4	24	2,287
Estimated listing expenses	1,380	1,380	Upon listing	-
<b>Total</b>	<b>8,671</b>	<b>1,489</b>		<b>7,182</b>

**B9. Group borrowings and debt securities**

The Group's borrowings as at 31 December 2010 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Short term borrowings:-</b>			
Bankers' Acceptance	475	-	475
Hire purchases	-	81	81
Bank overdraft	255	-	255
	<u>730</u>	<u>81</u>	<u>811</u>
	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Long term borrowings:-</b>			
Hire purchases	-	53	53
	<u>-</u>	<u>53</u>	<u>53</u>
<b>Total</b>	<b><u>730</u></b>	<b><u>134</u></b>	<b><u>864</u></b>

All the above Group's borrowings are denominated in Ringgit Malaysia.

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**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.

**B12. Dividend**

- (a) The final single-tier tax exempt dividend of 4 sen per ordinary share amounting to RM1,710,280 for the FYE 31 December 2010 has been recommended by the Board of Directors for approval by the shareholders at the forthcoming Annual General Meeting.
- (b) Date payable - to be determined at a later date;
- (c) In respect of deposited securities, entitlement to dividends will be determined at a later date.

**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:

	<b>Current Quarter Ended 31-Dec-10 RM'000</b>	<b>Corresponding Quarter Ended 31-Dec-09 RM'000</b>	<b>Current Year-To-Date Ended 31-Dec-10 RM'000</b>	<b>Corresponding Year -To -Date Ended 31-Dec-09 RM'000</b>
Group's comprehensive income attributable to equity holders of the Company (RM)	2,089	N/A	5,913	N/A
Weighted average number of ordinary shares in issue ('000)	42,757	N/A	28,299	N/A
Earnings per share (sen)				
- Basic	4.9	N/A	20.9	N/A
- Diluted	4.9	N/A	20.9	N/A

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**B14. Realised and Unrealised Profits**

On 25 March 2010, Bursa Securities issued a directive to all listed companies to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits and losses.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure of the required format.

		Current Financial Period / Financial Year RM'000	At the end of the last financial year RM'000
Total retained profit of SCC Holdings Berhad and its subsidiaries:			
- Realised		5,362	N/A
- Unrealised	in respect of deferred tax recognised in the income statement	106	N/A
	in respect of other items of income and expense	-	N/A
Total Group retained profits as per consolidated accounts		5,468	N/A

N/A: Comparative figures are not required in the first year of implementation of Bursa Securities' directive, which was issued on 20 December 2010.

The determination of realised and unrealised profits is based on the Guidance on Special Matter No.1, "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure" pursuant to Bursa Securities Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

Accordingly, the unrealised profits of the Group and the Company as disclosed above excludes translation gains and losses on monetary items denominated in a currency other than the functional currency and foreign exchange contracts, as these translation gains and losses are incurred in the ordinary course of business of the Group and the Company, and are hence deemed as realised.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

By order of the board  
SCC Holdings Berhad

Wong Keo Rou (MAICSA 7021435)  
Company Secretary  
Kuala Lumpur

Date: 24 February 2011