

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011

(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 Bursa Malaysia Securities Berhad ACE Market Listing Requirements.

The interim financial statements should be read in conjunction with the Audited Financial Statements of the Company for the FYE 31 December 2010 and the accompanying explanatory notes attached to the interim financial report.

A2. Summary of significant accounting policies

The significant accounting policies adopted in the interim financial report are consistent with the Audited Financial Statements for the FYE 31 December 2010, except for the adoption of the following new/revised FRS, Issues Committee ("IC") Interpretations, amendments to FRS and IC Interpretations, issued by the Malaysian Accounting Standards Board ("MASB"), which are mandatory and will be effective for the financial periods as stated below:

<u>Revised FRSs</u>		Effective date
FRS 1	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3	Business Combinations	1 July 2010
FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 July 2010

Amendments/Improvements to FRSs

FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2011
FRS 2	Share-based Payment Vesting Conditions and Cancellations	1 January 2011
FRS 3	Business Combinations	1 July 2010
FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
FRS 7	Financial Instruments : Disclosure	1 January 2011
FRS 101	Presentation of Financial Statements	1 January 2011
FRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2011
FRS 128	Investment in Associates	1 January 2011
FRS 131	Interests in Joint Ventures	1 January 2011
FRS 132	Financial Instruments : Presentation	1 March 2010
FRS 134	Interim Financial Reporting	1 January 2011
FRS 138	Intangible Assets	1 July 2010
FRS 139	Financial Instruments : Recognition and Measurement	1 January 2011

IC Interpretations

IC Int 4	Determining whether an arrangement contains a lease	1 January 2011
IC Int 12	Service Concession Arrangements	1 July 2010
IC Int 15	Agreements for the Construction on Real Estate	1 January 2012
IC Int 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Int 17	Distributions of Non-cash Assets to Owners	1 July 2010
IC Int 18	Transfers of Assets from Customers	1 January 2011
IC Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

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

Amendments to IC Interpretations

IC Int 9	Reassessment of Embedded Derivatives	1 July 2010
IC Int 13	Customer Loyalty Programmes	1 January 2011
IC Int 15	Agreements for the Construction on Real Estate	1 January 2012

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)

FRS 101 introduces terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard requires the presentation of a third statement of financial position in the event that the entity has applied new accounting policies retrospectively. There is no impact on the Group's financial statements as this change in accounting policy affects only the presentation of the Group's financial statements.

Malaysian Financial Reporting Standards (MFRS FRAMEWORK)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called Transitioning Entities")

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013. The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its financial statements for the year ending 31 December 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has yet to complete its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these interim financial statements for the year ended 31 December 2011 could be different if prepared under the MFRS Framework. The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2013.

**A3. Auditors' report**

There was no qualification on the audited financial statements of the Group for the FYE 31 December 2010.

**A4. Seasonal or cyclical factors**

The operations of the Group were not significantly affected by seasonal or cyclical factors during the current quarter and current year to date under review.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

**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 quarter and current year to date under review.

**A6. Material changes in estimates**

There were no changes in the estimates that had a material effect in the current quarter and period to date results.

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

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities for the current quarter and current year to date under review.

**A8. Dividends paid**

During the financial year, the company had paid a single tier tax exempt dividend of 4 sen per share amounting to RM1,710,280 in respect of the FYE 31 December 2010 on 15 July 2011. For the preceding year's corresponding period, the company had paid a single tier tax exempt interim dividend of 1 sen per share amounting to RM427,570 in respect of the FYE 31 December 2010.

**A9. Segmental information**

Segmental information of the Group's revenue is as follows:

	Animal Health Products RM'000	Food Service Equipment RM'000	Management Fees RM'000	Total RM'000	Inter- segment Elimination RM'000	Consolidated RM'000
<b>Results for 12 months ended 31 December 2011</b>						
<b>REVENUE</b>						
External revenue	15,304	20,320	-	35,624	-	35,624
Inter-segment revenue	153	15	-	168	(168)	-
Inter-segment - Management fees	-	-	935	935	(935)	-
- Dividend income	-	-	3,117	3,117	(3,117)	-
<b>Total revenue</b>	<b>15,457</b>	<b>20,335</b>	<b>4,052</b>	<b>39,844</b>	<b>(4,220)</b>	<b>35,624</b>
<b>RESULTS</b>						
<b>Other income</b>						
- Fixed deposit interest				502	-	502
- Rental income				254	(110)	144
- Miscellaneous income				248	-	248
Allowance for impairment of trade receivables				(236)	-	(236)
Depreciation				(536)	-	(536)
Finance costs				(11)	-	(11)
Taxation expenses				(2,006)	-	(2,006)
<b>Unallocated corporate expenses</b>						
- Cost of sales				(18,384)	170	(18,215)
- Administration expenses and other operating expenses				(8,492)	971	(7,521)
- Selling and distribution expenses				(2,862)	72	(2,790)
<b>Segment Profit</b>				<b>8,321</b>	<b>(3,117)</b>	<b>5,204</b>

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

**A9. Segmental information (Continued)**

	Animal Health Products RM'000	Food Service Equipment RM'000	Management Fees RM'000	Total RM'000	Inter- segment Elimination RM'000	Consolidated RM'000
<b>Results for 12 months ended 31 December 2010 (audited)</b>						
<b>REVENUE</b>						
External revenue	7,661	11,619	-	19,280	-	19,280
Inter-segment revenue	82	7	-	89	(89)	-
Inter-segment - Management fees	-	-	835	835	(835)	-
- Dividend income	-	-	3,769	3,769	(3,769)	-
<b>Total revenue</b>	<b>7,743</b>	<b>11,626</b>	<b>4,604</b>	<b>23,973</b>	<b>(4,693)</b>	<b>19,280</b>
<b>RESULTS</b>						
<b>Other income</b>						
- Negative goodwill arising from acquisition of subsidiaries				3,823	-	3,823
- Miscellaneous income				84	-	84
Allowance for impairment of trade receivables				(264)	-	(264)
Depreciation				(283)	-	(283)
Finance costs				(36)	-	(36)
Taxation expenses				(1,214)	-	(1,214)
<b>Unallocated corporate expenses</b>						
- Cost of sales				(9,278)	89	(9,189)
- Administration expenses and other operating expenses				(5,296)	835	(4,461)
- Selling and distribution expenses				(1,831)	-	(1,831)
<b>Segment Profit</b>				<b>9,678</b>	<b>(3,769)</b>	<b>5,909</b>

**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 was no outstanding capital commitments not provided for in the interim financial report.

**A12. Material subsequent event**

There was no material subsequent event.

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

There was no change in the composition of the Group for 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 the Group for the current quarter and current year to date under review since the last annual balance sheet date.

**A15. Significant related party transactions**

Save as disclosed in the Audited Financial Statements for the FYE 31 December 2010, there were no other significant related party transactions for the current quarter under review.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

**B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS**

**B1. Review of performance**

The comparison of the current year 4<sup>th</sup> quarter revenue against previous year 4<sup>th</sup> Quarter revenue is set out below:

	<b>Current Quarter Ended 31.12.2011 (RM'000)</b>	<b>Preceding Year Corresponding Quarter 31.12.2010 (RM'000)</b>	<b>Variance (RM'000)</b>
Revenue - Animal Health Product Division	4,569	4,037	532
- Food Service Equipment Division	5,461	6,883	(1,422)

The Group achieved revenue of RM10.03 million for the current quarter ended 31 December 2011 (“FPE2011”) as compared to RM10.92 million in the preceding year quarter ended 31 December 2010 (“FPE2010”). The decreased in revenue by approximately 8.2% compared to the preceding year corresponding quarter was due to lower orders received in the Food Service Equipment Division.

During the current quarter, Animal Health Division recorded revenue of RM4.57 million as compared to RM4.04 million in FPE2010. The increased of approximately 13.18% was due to the successful sales promotions held in conjunction with the trade exhibition held at Kuala Lumpur City Centre in October 2011.

However this was offset by the decreased in revenue from the Food Service Equipment Division by approximately 20.64% from RM6.88 million in FPE2010 to RM5.46 million in FPE2011. The decreased was due to lower orders received in the current quarter as a result of deferment in projects to 2012 by the customers.

**Current Year-to-Date against Previous Year-to-Date**

	<b>Current Year to Date Ended 31.12.2011 (RM'000)</b>	<b>Preceding Year To Date Ended 31.12.2010 (RM'000)</b>	<b>Variance (RM'000)</b>
Revenue - Animal Health Product Division	15,304	7,661	7,643
- Food Service Equipment Division	20,320	11,619	8,701

The Group achieved revenue of RM35.62 million for the FYE 31 December 2011 as compared to RM19.28 million for the FYE 31 December 2010. The increased of approximately 84.8% was because the Group was only established on 24 June 2010, hence the financials for FYE 31 December 2010 is only made up for a period of six (6) months ending 31 December 2010.

For FYE 31 December 2011, Animal Health Product Division recorded revenue of RM15.30 million as compared to RM7.66 million in FYE 31 December 2010. The increased of approximately 99.7% was because the Group was only established on 24 June 2010, hence the financials for FYE 31 December 2010 is only made up for a period of six (6) months ending 31 December 2010.

For FYE 31 December 2011, Food Service Equipment Division recorded revenue of RM20.32 million as compared to RM11.62 million in FYE 31 December 2010. The increased of approximately 74.87% was because the Group was only established on 24 June 2010, hence the financials for FYE 31 December 2010 is only made up for a period of six (6) months ending 31 December 2010.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

**B2. Material changes in the profit before taxation for the current quarter as compared to the immediate preceding quarter**

For the current quarter ended 31 December 2011, the Group achieved a profit before tax of approximately RM2.41 million as compared to approximately RM1.46 million in the immediate preceding quarter ended 30 September 2011. The increased in profit before taxation of approximately RM0.95 million, representing an increase of approximately 65.07%, was mainly due to the decreased in administrative and other operating expenses by approximately RM1.25 million from approximately RM2.22 million in the immediate preceding quarter ended 30 September 2011 to approximately RM0.97 million in the current quarter ended 31 December 2011 under review. The decreased in administrative and other operating expenses was mainly due to reversal of provisions for incentives made during the year.

However the decreased in administrative and other operating expenses was partially offset by an increased in selling and distribution expenses by approximately RM0.31 million from approximately RM0.72 million in the immediate preceding quarter ended 30 September 2011 to approximately RM1.02 million in the current quarter ended 31 December 2011. The increased in selling and distribution expenses was mainly due to sales exhibitions and sales promotion expenses incurred in the current quarter.

**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.

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.

**B5. Taxation**

	Current Quarter Ended 31/12/2011 RM’000	Corresponding Quarter Ended 31/12/2010 RM’000	Current Year- To-Date Ended 31/12/2011 RM’000	Corresponding Year-To-Date Ended 31/12/2010 RM’000
Income tax:				
- current year	507	1,013	1,998	1,276
- (Over) / under provision of tax in prior year	(33)	(59)	(33)	(59)
	474	954	1,965	1217
Deferred tax				
- Relating to origination and reversal of temporary difference	(11)	(3)	(11)	(3)
- (Over) /under provision of tax in prior year	52	-	52	-
	515	951	2,006	1,214

The Group’s effective tax rate for the current quarter was 21.38%, which was lower than the statutory rate due to over provision in prior years and the current year quarter. The Group’s effective tax rate for the current year to date was 27.82%, which was higher than the statutory rate due to certain non tax-deductible expenses.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

**B6. Status of corporate proposal**

There is no corporate proposal announced but not completed at a date not earlier than 7 days from the date of this quarterly report.

**B7. Utilisation of IPO Proceeds**

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

Purpose	Proposed utilisation RM'000	Actual utilisation RM'000	Intended time frame for utilisation from the listing date* (Months)	Deviation		Explanations
				Amount RM'000	%	
Capital Expenditures	2,000	203	24	-	-	(1)
Program development expenditure	3,000	-	36	-	-	(1)
Working capital	2,291	4	24	-	-	(1)
Estimated listing expenses	1,380	1,380	Upon listing	-	-	-
<b>Total</b>	<b>8,671</b>	<b>1,587</b>				

Notes:

\* SCC Holdings Berhad was listed on 3<sup>rd</sup> August 2010.

(1) As at the date of this report, the IPO proceeds is expected to be utilised within the estimated time frame and the Group does not expect any material deviation in its utilisation of IPO proceeds.

**B8. Group borrowings and debt securities**

The Group's borrowings as at 31 December 2011 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Short term borrowings:</b>			
Hire purchase payables	49	-	49
	<b>49</b>	<b>-</b>	<b>49</b>
<b>Long term borrowings:</b>			
Hire purchase payables	4	-	4
	<b>4</b>	<b>-</b>	<b>4</b>
<b>Total Borrowings</b>	<b>53</b>	<b>-</b>	<b>53</b>

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

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

**B9. Material litigation**

There are no material litigations during the current quarter under review.

**B10. Dividend**

The Board of Directors proposed a final single tier tax exempt dividend of 5 sen and special single tier tax exempt dividend of 1.5 sen per share amounting to approximately RM2,779,205 in total for FYE 31 December 2011, based on existing share capital of 42,757,000 ordinary shares of RM0.50 each, for shareholders' approval at the forthcoming Annual General Meeting ("AGM"). The entitlement date and payment date of the final dividend and special dividend will be determined after obtaining shareholders' approval at the forthcoming AGM.

For the preceding year corresponding quarter ended 31 December 2010, a final single tier tax exempt dividend of 4 sen per share amounting to RM1,710,280 was declared in respect of FYE 31 December 2010 and was paid on 15 July 2011.

**B11. Earnings per share**

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

	<b>Current Quarter Ended 31-Dec-11 RM'000</b>	<b>Corresponding Quarter Ended 31-Dec-10 RM'000</b>	<b>Current Year-To-Date Ended 31-Dec-11 RM'000</b>	<b>Corresponding Year- To-Date Ended 31-Dec-10 RM'000</b>
Group's profit after tax attributable to ordinary equity holders of the parent (RM)	1,894	1,467	5,204	5,909
Weighted average number of ordinary shares - basic	42,757	42,757	42,757	21,166
Earnings per share (sen)	4.43	3.43	12.17	27.92
Weighted average number of ordinary shares - diluted	4.43	3.43	12.17	27.92

**B12. Supplementary information on the disclosure of realised and unrealised profit**

The amount of realised and unrealised profits included in the retained profit of the Group are as follows.

	<b>Unaudited As at 31.12.2011 RM'000</b>	<b>Audited As at 31.12.2010 RM'000</b>
- Realised	8,810	5,357
- Unrealised	148	107
	<b>8,958</b>	<b>5,464</b>



QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

**B13. Profit for the year**

Profit for the Current Quarter Ended 31 December 2011 and Current Year to Date Ended 31 December 2011 was arrived at after crediting / (charging) the following:

	<b>Current Quarter Ended 31-Dec-2011 RM'000</b>	<b>Current Year to Date Ended 31-Dec-2011 RM'000</b>
Interest income	162	502
Other income including investment income	248	361
Interest expense	21	(11)
Depreciation and amortization	(139)	(536)
Provision for and write off of receivables	(236)	(236)
Provision for and write off of inventories	-	-
Gain on disposal of quoted or unquoted investments or properties	-	12
Impairment of assets	-	-
Foreign exchange gain or (loss)	8	19
Gain or loss on derivatives	-	-
Exceptional items (with details)	-	-

**B14. Authorisation for issue**

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 27 February 2012.

By order of the board  
SCC Holdings Berhad

Wong Keo Rou (MAICSA 7021435)  
Company Secretary  
Kuala Lumpur  
Date: 27 February 2012