

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2016**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Quarter Ended 30-Jun-2016 RM'000 Unaudited	Preceding Year Current Quarter Ended 30-Jun-2015 RM'000 Unaudited	Current Year to Date Ended 30-Jun-2016 RM'000 Unaudited	Preceding Year To Date Ended 30-Jun-2015 RM'000 Unaudited
Revenue	16,094	14,214	32,754	28,146
Cost of sales	(9,384)	(9,058)	(19,507)	(17,184)
Gross profit	6,710	5,156	13,247	10,962
Other income	162	355	305	508
Administrative and other operating expenses	(3,034)	(2,750)	(5,953)	(5,434)
Selling and distribution expenses	(1,240)	(970)	(2,631)	(1,861)
Operating profit	2,598	1,791	4,968	4,175
Depreciation	(159)	(142)	(323)	(289)
Allowance for impairment	-	-	-	(2)
Finance costs	(2)	(3)	(4)	(5)
Profit before taxation	2,437	1,646	4,641	3,879
Taxation	(676)	(564)	(1,334)	(1,293)
Profit for the period	1,761	1,082	3,307	2,586
Other comprehensive income	4	(4)	8	5
Total comprehensive income for the period	1,765	1,078	3,315	2,591
Profit after taxation attributable to the equity holders of the Company	1,761	1,082	3,307	2,586
Total comprehensive income attributable to the equity holders of the Company	1,765	1,078	3,315	2,591
Weighted average no. of ordinary shares in issue ('000)	42,762	42,757	42,730	42,757
Earnings per share (sen):				
- Basic	4.12	2.53	7.74	6.05
- Diluted	4.12	2.53	7.74	6.05

Note:

- 1) The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended ("FYE") 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016**

	UNAUDITED As at 30-Jun-2016 RM'000	AUDITED As At 31-Dec-2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	5,460	5,436
Investment securities	75	67
Goodwill on consolidation	8	8
	5,543	5,511
Current Assets		
Inventories	8,894	7,475
Trade receivables	14,340	13,571
Other receivables, deposits and prepayments	208	813
Tax recoverable	230	37
Financial assets	9,724	8,249
Fixed Deposits placed with licensed banks	-	200
Cash and bank balances	5,464	5,866
	38,860	36,211
TOTAL ASSETS	44,403	41,722
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	21,388	21,379
Share premium	2,696	2,667
Retained profits	12,995	11,827
Reserve	59	51
Total equity	37,138	35,924
Non current liabilities		
Deferred tax liabilities	167	167
Hire purchase payable	91	91
	258	258
Current liabilities		
Trade payables	2,721	2,961
Other payables, deposits and accruals	3,078	1,653
Hire purchase payables	46	90
Tax payables	1,162	836
	7,007	5,540
Total liabilities	7,265	5,798
TOTAL EQUITY AND LIABILITIES	44,403	41,722
Net assets per share attributable to ordinary equity owners of the Company (sen)	86.86	84.02

Note:

- 1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2016**

	Attributable to Equity Holders of the Company				
	Share Capital RM'000	Share Premium RM'000	Non-Distributable Fair value Adjustment Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
Balance as at 1.1.2015	21,379	2,667	37	9,697	33,780
Dividends	-	-	-	(4,276)	(4,276)
Total comprehensive income for the financial year	-	-	14	6,406	6,420
At 31 December 2015 (<i>Audited</i>)	<u>21,379</u>	<u>2,667</u>	<u>51</u>	<u>11,827</u>	<u>35,924</u>
Balance as at 1.1.2016	21,379	2,667	51	11,827	35,924
Issue of new shares	9	29	-	-	38
Dividends	-	-	-	(2,139)	(2,139)
Total comprehensive income for the financial period	-	-	8	3,307	3,315
Balance as at 30.06.2016 (<i>Unaudited</i>)	<u>21,388</u>	<u>2,696</u>	<u>59</u>	<u>12,995</u>	<u>37,138</u>

Note:

- 1) The Unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2016**

	Current Year To Date Ended 30-Jun-2016 (Unaudited) RM'000	Preceding Year To Date Ended 30-Jun-2015 (Unaudited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,641	3,880
Adjustments for		
- Depreciation	323	289
- Gain/loss on disposal of property, plant and equipment	15	-
- Bad debts recovery	(68)	2
- Fair value gain on financial assets	(173)	(115)
- Interest income	(10)	(75)
- Interest expense	4	4
Operating profit before working capital changes	4,732	3,985
Changes in working capital		
Inventories	(1,418)	(123)
Receivables	(1,108)	(2,186)
Payables	2,214	3,769
Net cash generated from operations	4,420	5,445
Interest received	10	75
Interest paid	(4)	(4)
Taxation refund	-	60
Taxation paid	(1,219)	(752)
Net cash flows from operating activities	3,207	4,824
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (purchase)/withdrawal of other investment	(1,303)	(5,300)
Proceeds from disposal of property, plant & equipment	57	-
Purchase of property, plant and equipment	(419)	(280)
Net cash flows from investing activities	(1,665)	(5,580)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issuance of ordinary shares	39	-
Dividend paid	(2,139)	-
Repayment of hire purchase liabilities	(44)	(42)
Net cash used in financing activities	(2,144)	(42)
Net Changes In Cash And Cash Equivalents	(602)	(798)
Cash And Cash Equivalents At The Beginning Of The Period	6,066	9,523
Cash And Cash Equivalents At The End Of The Period	5,464	8,725
Analysis of Cash And Cash Equivalents		
Deposits with licensed banks	-	3,197
Cash and bank balances	5,464	5,528
	5,464	8,725

Note:

- 1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2016

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016

(a) NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (MFRS 134): INTERIM FINANCIAL REPORTING

A1. Basis of reporting preparation

The interim financial statements are unaudited and have been prepared in accordance with MFRS 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 2015 and the accompanying explanatory notes attached to the interim financial report.

A2. Summary of significant accounting policies

The accounting policies and methods of computation adopted by SCC and its subsidiary companies ("SCC Group" or "Group") in the preparation of this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2015.

The application of the following new/revised MFRSs, Issues Committee ("IC") Interpretations, amendments to MFRSs 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, will have no material impact on the financial statements of the Group and of the Company:

<u>New MFRSs</u>		Effective for financial periods commencing on or after
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from contracts with Customers	1 January 2018
<u>Amendments/Improvements to MFRSs</u>		
MFRS 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
MFRS 7	Financial Instruments: Disclosures	1 January 2016
MFRS 10	Consolidation Financial Statement	Deferred / 1 January 2016
MFRS 11	Joint Arrangements	1 January 2016
MFRS 12	Disclosures of Interests in Other Entities	1 January 2016
MFRS 101	Presentation of Financial Statements	1 January 2016
MFRS 116	Property, Plant and Equipment	1 January 2016
MFRS 119	Employee Benefits	1 January 2016
MFRS 127	Separate Financial Statements	1 January 2016
MFRS 128	Investments in Associates and Joint Ventures	Deferred / 1 January 2016
MFRS 138	Intangible Assets	1 January 2016
MFRS 141	Agriculture	1 January 2016

The Group did not adopt the following standards that have been issued by the Malaysian Accounting Standards Board as these are effective for financial period beginning on or after 1 January 2016.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2016

A3. Auditors' report

There was no qualification on the audited financial statements of the Group for the FYE 31 December 2015.

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.

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

- (a) A single tier tax exempt interim dividend of 5 sen per ordinary share amounting to RM2,138,790.00 in respect of the financial year ending 31 December 2016 was paid on 30 June 2016.
- (b) A single tier tax exempt interim dividend of 5 sen per ordinary share and a special single tier tax exempt interim dividend of 5 sen per ordinary share amounting to RM4,275,700.00 in respect of the financial year ending 31 December 2015 was paid on 31 July 2015.

A9. Segmental information

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

	Animal Health Products RM'000	Foodservice Equipment RM'000	Food Supplies RM'000	Food Manufacturing RM'000	Others RM'000	Total RM'000	Inter- segment Elimination RM'000	Consolidated RM'000
RESULTS FOR THE								
QUARTER ENDED 30 June 2016								
REVENUE								
External revenue	7,618	3,527	4,723	227	-	16,094	-	16,094
Inter-segment								
- sales	-	-	-	864	-	864	(864)	-
- management fees received	-	-	-	-	897	897	(897)	-
- dividend received	-	-	-	-	2,883	2,883	(2,883)	-
Total revenue	7,618	3,527	4,723	1,091	3,780	20,739	(4,644)	16,094
Segment profit	555	674	928	(2)	2,482	4,637	(2,876)	1,761

Assets

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2016

A9. Segmental information (cotn'd)

	Animal Health Products RM'000	Foodservice Equipment RM'000	Supplies RM'000	Food Manufacturing RM'000	Others RM'000	Total RM'000	Inter- segment Elimination RM'000	Consolidated RM'000
RESULTS FOR THE CURRENT QUARTER ENDED 30 JUNE 2015								
REVENUE								
External revenue	8,397	2,007	3,744	66	-	14,214	-	14,214
Inter-segment								
- sales	-	-	-	782	-	782	(782)	-
- management fees received	-	-	-	-	645	645	(645)	-
- dividend received	-	-	-	-	-	-	-	-
Total revenue	8,397	2,007	3,744	848	645	15,641	(1,427)	14,214
RESULTS								
Segment profit	824	243	451	53	(590)	980	102	1,082

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 2015, there were no other significant related party transactions for the current quarter under review.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2016

B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review of performance

The comparison of the current year 2nd quarter revenue against previous year 2nd quarter revenue is set out below:

	Current Quarter Ended 30-Jun-16 RM'000	Corresponding Quarter ended 30-Jun-15 RM'000	Variance RM'000
Revenue - Animal Health Product Division	7,618	8,397	(779)
- Foodservice Equipment Division	8,249	5,751	2,498
- Food Manufacturing Division	227	66	161

The Group achieved revenue of RM16.09 million for the current quarter ended 30 June 2016 as compared to RM14.21 million in the preceding year quarter ended 30 June 2015. The increase in revenue by approximately 13.23% compared to the preceding year corresponding quarter was mainly due to reasons as explained below.

During the current quarter ended 30 June 2016, Animal Health Product Division recorded revenue of RM7.62 million as compared to RM8.40 million in the preceding year quarter ended 30 June 2015. The decrease of approximately 9.29% was due to the falling prices of the amino acid required in animal feeds during the current quarter.

During the current quarter ended 30 June 2016, Foodservice Equipment Division recorded revenue of RM8.25 million as compared to RM5.75 million in the preceding year quarter ended 30 June 2015. The increase of approximately 43.48% was due to the overall increased of sales in equipment and food supplies during the current quarter.

During the current quarter ended 30 June 2016, Food Manufacturing Division recorded revenue of RM0.23 million as compared to RM0.07 million in the preceding year quarter ended 30 June 2015. The increase of approximately 228.57% was due to the increase in our customers' orders during the current quarter.

	Current Year to date ended 30-Jun-16 RM'000	Preceding Year to date ended 30-Jun-15 RM'000	Variance RM'000
Revenue - Animal Health Product Division	14,968	15,141	(173)
- Food Service Equipment Division	17,471	12,862	4,608
- Food Supplies Division	315	143	172

The Group achieved revenue of RM32.75 million for the current year to date ended 30 June 2016 as compared to RM28.15 million in the preceding year to date ended 30 June 2015. The increase in revenue by approximately 16.34% compared to the preceding year to date was mainly due to reasons as explained below.

During the current year to date ended 30 June 2016, Animal Health Product Division recorded revenue of RM14.97 million as compared to RM15.14 million in the preceding year ended 30 June 2015. The decrease of approximately 1.12% was due to the falling prices of the amino acid required in animal feeds during the current year to date.

During the current year to date ended 30 June 2016, Foodservice Equipment Division recorded revenue of RM17.47 million as compared to RM12.86 million in the preceding year ended 30 June 2015. The increase of approximately 35.85% was due to overall increased demand for our food supplies and equipment by our customers.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2016

B1. Review of performance (contn'd)

During the current year to date ended 30 June 2016, Food Manufacturing Division recorded revenue of RM0.32 million as compared to RM0.14 million in the preceding year ended 30 June 2015. The increase of approximately 128.57% was due to the increase in our customers' orders during the current year to date.

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

For current quarter ended 30 June 2016, the Group achieved a profit before tax of approximately RM2.44 million as compared to RM2.20 million in the immediate preceding quarter ended 31 March 2016. The increased in profit before taxation of RM0.24 million, representing an increase of approximately 10.91% was mainly due to the improved performance and less volatility of Ringgit Malaysia vs US Dollar, resulted in better margin and stable cost for during current quarter.

B3. Prospects

The improved performance and less volatility of Ringgit Malaysia vs US Dollar, resulted in better margin and stable cost for Q2 2016 for most of our divisions, improving our performance compared to what we achieved in Q2 2015, even with the falling prices of the amino acid required in animal feeds that deviates from to what we have projected.

Market sentiment had been low, especially after the Hari Raya festival. We foresee slow growth and stagnant activities for FSED division and intensify and increase competition for both AHPD and the commodity markets.

The World Bank through their *Malaysia Economic Monitor June 2016 Report* estimate Malaysia's GDP growth will be 4.4% for year 2016, down 0.1% from their estimation in December 2015 due to softer labour market and continued household adjustment to fiscal consolidation. The gradual deceleration of private consumption growth, which directly affects our performance, also contributed to the downward revision of the growth rate.

The Board of Directors will exercise extra caution in conducting their duties during these uncertain and difficult periods. However, we are optimistic of the Group's long term 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 30-06-16 RM'000	Preceding Year Corresponding Quarter Ended 30-06-15 RM'000	Current Year-To-Date Ended 30-06-16 RM'000	Preceding Year-To-Date Ended 30-06-15 RM'000
Income tax:				
- current year	676	564	1,334	1,293
- (Over) / under provision of tax in prior year	-	-	-	-
	<hr/> 676	<hr/> 564	<hr/> 1,334	<hr/> 1,293
Deferred tax				
- Relating to origination and reversal of temporary difference	-	-	-	-
- (Over) /under provision of tax in prior year	-	-	-	-
	<hr/> 676	<hr/> 564	<hr/> 1,334	<hr/> 1,293

The Group's effective tax rate for the current quarter 30 June 2016 is 24.74% and current year to date ended 30 June 2016 was 28.74% which was higher than the statutory rate due to certain non tax-deductible expenses.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2016

B6. Status of corporate proposal

On 29 April 2015, SCC proposed to undertake a special issue of 6,109,000 new ordinary shares of RM0.50 each in SCC (“Special Issue Shares”), representing approximately 12.5% of its enlarged issued and paid-up share capital to Bumiputera investors to be identified and/or approved by Ministry of International Trade and Industry at an issue price to be determined after obtaining all relevant approvals (“Proposed Special Issue”). To date, the Company has obtained all relevant approvals for the Proposed Special Issue.

On 26 May 2016, Kenanga Investment Bank Berhad had, on behalf of the Board of Directors of SCC, announced that the issue price has been fixed at RM2.09 per Special Issue Share.

Pursuant thereto, the Special Issue has been completed on 6 June 2016 with the listing of and quotation for the 18,800 Special Issue Shares on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”).

As the Special Issue was undertaken to meet the condition imposed pursuant to SCC’s listing on the ACE Market of Bursa Securities whereby SCC was required to allocate 12.5% of its enlarged issued and paid-up share capital to MITI-recognised Bumiputera investors (“Bumiputera Equity Condition”), Kenanga IB, on behalf of SCC, respectfully seeks the SC’s consideration that the Bumiputera Equity Condition is deemed complied with.

B7. Group borrowings and debt securities

The Group’s borrowings as 30 June 2016 were as follow:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Short term borrowings:-</u>			
Hire purchase payables	46	-	46
	<u>46</u>	<u>-</u>	<u>46</u>
<u>Long term borrowings:-</u>			
Hire purchase payables	91	-	91
	<u>91</u>	<u>-</u>	<u>91</u>
Total borrowings	<u>137</u>	<u>-</u>	<u>137</u>

All the Group’s borrowings are denominated in Ringgit Malaysia.

B8. Material litigation

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

B9. Dividend

No interim dividend has been recommended for the financial quarter ended 30 June 2016.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2016

B10. 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:

	Current Quarter Ended 30-Jun-16 RM'000	Corresponding Quarter Ended 30-Jun-15 RM'000	Current Year-To-Date Ended 30-Jun-16 RM'000	Corresponding Year -To -Date Ended 30-Jun-15 RM'000
Group's profit after tax attributable to ordinary equity holders of the parent(RM)	1,761	1,082	3,307	2,586
Weighted average number of ordinary shares	42,762	42,757	42,730	42,757
Earnings per share (sen)	4.12	2.53	7.74	6.05

B11. Supplementary information on the disclosure of realised and unrealised profit

The amounts of realised and unrealised profits included in the retained profit of the Group are as follows:

	Unaudited As at 30-June-16 RM'000	Audited As at 30-June-15 RM'000
Total retained profits of the Group		
- Realised	25,234	24,590
- Unrealised	7	(73)
	25,241	24,517
Add: Consolidation adjustments	(12,246)	(12,233)
At 30 June	12,995	12,284

B12. Profit for the year

Profit for the current quarter ended 30 June 2016 was arrived at after crediting / (charging) the following:

	Current Quarter Ended 30-Jun-16 RM'000	Current Year to Date Ended 30-Jun-16 RM'000
Interest income	5	10
Other income including investment income	164	302
Interest expense	(2)	(4)
Depreciation and amortization	(159)	(323)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain on disposal of quoted or unquoted investments or properties	(15)	(15)
Impairment of assets	-	-
Foreign exchange gain /(loss)	8	8
Gain / (loss) on derivatives	-	-
Exceptional items (with details)	-	-

SCC HOLDINGS BERHAD (Company No: 511477-A)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2016

B13. 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 25 August 2016.

By order of the board
SCC Holdings Berhad

Jenny Wong Chew Boey (MAICSA 7006120)
Company Secretary
Kuala Lumpur
Date: 25 August 2016