

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Quarter Ended 30-Jun-2017 RM'000 Unaudited	Preceding Year Current Quarter Ended 30-Jun-2016 RM'000 Unaudited	Current Year to Date Ended 30-Jun-2017 RM'000 Unaudited	Preceding Year To Date Ended 30-Jun-2016 RM'000 Unaudited
Revenue	15,810	16,094	30,356	32,754
Cost of sales	(10,144)	(9,384)	(19,135)	(19,507)
Gross profit	5,666	6,710	11,221	13,247
Other income	190	162	339	305
Administrative and other operating expenses	(2,964)	(3,034)	(5,843)	(5,953)
Selling and distribution expenses	(1,595)	(1,240)	(2,809)	(2,631)
Operating profit	1,297	2,598	2,908	4,968
Depreciation	(168)	(159)	(336)	(323)
Finance costs	(1)	(2)	(2)	(4)
Profit before taxation	1,128	2,437	2,570	4,641
Taxation	(408)	(676)	(936)	(1,334)
Profit for the period	720	1,082	1,634	2,586
Other comprehensive income	(2)	4	3	8
Foreign currency translation difference	-	-	62	-
Total comprehensive income for the period	<u>719</u>	<u>1,765</u>	<u>1,699</u>	<u>2,594</u>
Profit after taxation attributable to the equity holders of the Company	720	1,082	1,634	2,586
Total comprehensive income attributable to the equity holders of the Company	719	1,765	1,699	2,594
Weighted average no. of ordinary shares in issue ('000)	42,746	42,757	42,746	42,757
Earnings per share (sen):				
- Basic	1.68	2.53	3.82	6.05
- Diluted	1.68	2.53	3.82	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 2016 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 2017**

	UNAUDITED As at 30-Jun-2017 RM'000	AUDITED As At 31-Dec-2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	5,095	5,439
Investment securities	57	54
Goodwill on consolidation	8	8
	<u>5,160</u>	<u>5,501</u>
Current Assets		
Inventories	8,794	8,326
Trade receivables	12,602	13,091
Other receivables, deposits and prepayments	305	641
Tax recoverable	466	561
Financial assets	12,615	14,490
Cash and bank balances	3,187	5,000
	<u>37,969</u>	<u>42,109</u>
TOTAL ASSETS	<u>43,130</u>	<u>47,610</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	24,084	21,388
Share premium	-	2,696
Reserve	13,944	14,384
Total equity	<u>38,028</u>	<u>38,468</u>
Non current liabilities		
Deferred tax liabilities	78	77
Hire purchase payable	25	25
	<u>103</u>	<u>102</u>
Current liabilities		
Trade payables	2,008	4,922
Other payables, deposits and accruals	2,650	3,594
Short term borrowings	51	71
Hire purchase payables	29	67
Tax payables	260	386
	<u>4,999</u>	<u>9,040</u>
Total liabilities	<u>5,102</u>	<u>9,142</u>
TOTAL EQUITY AND LIABILITIES	<u>43,130</u>	<u>47,610</u>
Net assets per share attributable to ordinary equity owners of the Company (sen)	88.96	89.97

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 2016 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 2017**

	Attributable to Equity Holders of the Company					
	Share Capital RM'000	Share Premium RM'000	Non-Distributable Fair value Adjustment Reserve RM'000	Foreign Currency Translation Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
Balance as at 1.1.2016	21,379	2,667	51	-	11,827	35,924
Issue of new shares	9	29	-	-	-	38
Dividends	-	-	-	-	(4,278)	(4,278)
Total comprehensive income for the financial period	-	-	7	-	6,777	6,784
Balance as at 31.12.2016 (<i>Audited</i>)	21,388	2,696	58	-	14,326	38,468
Balance as at 1.1.2017	21,388	2,696	58	-	14,326	38,468
Adjustments for effects of Companies Act 2016 (Note a)	2,696	(2,696)	-	-	-	-
Dividends	-	-	-	-	(2,139)	(2,139)
Total comprehensive income for the financial period	-	-	3	62	1,634	1,699
Balance as at 30.06.2017 (<i>Unaudited</i>)	24,084	-	61	62	13,821	38,028

Note:

a) With the Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credit standing in the share premium accounts of RM2,695,570.66, respectively, has been transferred to the share capital account. Pursuant to subsection 618(3) and 618(4) of the New Act, the Group may exercise its right to use the credit amounts being transferred from share premium within 24 months after the commencement of the New Act. The Board of Directors will make a decision thereon to utilise for bonus shares in 3rd Quarter 2017.

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 2016 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 2017**

	Current Year To Date Ended 30-Jun-2017 (Unaudited) RM'000	Preceding Year To Date Ended 30-Jun-2016 (Unaudited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,570	4,641
Adjustments for		
- Depreciation	336	323
- Gain/loss on disposal of property, plant and equipment	(28)	15
- Bad debts recovery	-	(68)
- Fair value gain on financial assets	(203)	(173)
- Interest income	(37)	(10)
- Interest expense	2	4
Operating profit before working capital changes	2,640	4,732
Changes in working capital		
Inventories	(469)	(1,418)
Receivables	491	(1,108)
Payables	(3,438)	2,214
Net cash generated from operations	(776)	4,420
Interest received	37	10
Interest paid	(2)	(4)
Taxation refund	81	-
Taxation paid	(1,069)	(1,219)
Net cash flows from operating activities	(1,729)	3,207
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (purchase)/withdrawal of other investment	2,076	(1,303)
Proceeds from disposal of property, plant & equipment	88	57
Purchase of property, plant and equipment	(52)	(419)
Net cash flows from investing activities	2,112	(1,665)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issuance of ordinary shares	-	39
Dividend paid	(2,139)	(2,139)
Repayment of hire purchase liabilities	(37)	(44)
Net cash used in financing activities	(2,176)	(2,144)
Net Changes In Cash And Cash Equivalents	(1,793)	(602)
Cash And Cash Equivalents At The Begining Of The Period	4,929	6,066
Cash And Cash Equivalents At The End Of The Period	3,136	5,464
Analysis of Cash And Cash Equivalents		
Cash and bank balances	3,187	5,464
Short term borrowings	(51)	-
	3,136	5,464

Note:

- 1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Statements for the FYE 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017

(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 2016 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 2016.

The application of the following new/revised MFRSs, Issues Committee ("IC") Interpretations, and 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:

		Effective for financial periods beginning on or after
New MFRSs		
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 16	Leases	1 January 2019
Amendments/Improvements to MFRSs		
MFRS 1	First-time adoption of MFRSs	1 January 2018
MFRS 2	Share-based Payment	1 January 2018
MFRS 4	Insurance Contracts	1 January 2018
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 12	Disclosure of Interests in Other Entities	1 January 2017
MFRS 107	Statement of Cash Flows	1 January 2017
MFRS 112	Income Taxes	1 January 2017
MFRS 128	Investments in Associates and Joint Ventures	1 January 2018/ Deferred
MFRS 140	Investment Property	1 January 2018
New IC Int		
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2018

The Group did not adopt the above standards that have been issued by the Malaysian Accounting Standards Board as these are effective for financial period beginning on or after 1 January 2017.

A3. Auditors' report

There was no qualification on the audited financial statements of the Group for the FYE 31 December 2016.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017

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 RM 2,138,790.00 in respect of the financial year ending 31 December 2017 was paid on 21 June 2017.

(b) A single tier tax exempt interim dividend of 5 sen per ordinary share amounting to RM 2,138,790.00 in respect of the financial year ending 31 December 2016 was paid on 30 June 2016.

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 2017								
REVENUE								
External revenue	7,768	3,588	4,382	72	-	15,810	-	15,810
Inter-segment								
- sales	-	-	-	718	-	718	(718)	-
- management fees received	-	-	-	-	897	897	(897)	-
- dividend received	-	-	-	-	-	-	-	-
Total revenue	7,768	3,588	4,382	790	897	17,425	(1,615)	15,810
Segment profit	191	409	498	(47)	(338)	712	8	720

	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	3,526	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	3,526	4,723	1,091	3,780	20,738	(4,644)	16,094
Segment profit	586	674	928	(2)	2,482	4,668	(3,586)	1,082

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017

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 2016, there were no other significant related party transactions for the current quarter under review.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017

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-17 RM'000	Corresponding Quarter ended 30-Jun-16 RM'000	Variance RM'000
Revenue - Animal Health Product Division	7,768	7,618	150
- Foodservice Equipment Division	7,970	8,249	(279)
- Food Manufacturing Division	72	227	(155)

The Group achieved revenue of RM15.81 million for the current quarter ended 30 June 2017 as compared to RM16.10 million in the preceding year quarter ended 30 June 2016. The decrease in revenue by approximately 1.80% compared to the preceding year corresponding quarter was mainly due to reasons as explained below.

During the current quarter ended 30 June 2017, Animal Health Product Division recorded revenue of RM7.77 million as compared to RM7.62 million in the preceding year quarter ended 30 June 2016. The increase of approximately 1.97% was due to higher demand from customers.

During the current quarter ended 30 June 2017, Foodservice Equipment Division recorded revenue of RM7.97 million as compared to RM8.25 million in the preceding year quarter ended 30 June 2016. The decrease of approximately 3.40% was due to lower demand of sales in equipment and food supplies during the current quarter.

During the current quarter ended 30 June 2017, Food Manufacturing Division recorded revenue of RM0.07 million as compared to RM0.23 million in the preceding year quarter ended 30 June 2016. The decrease of approximately 69.57% was due to the decrease in our customers' orders during the current quarter.

	Current Year to date ended 30-Jun-17 RM'000	Current Year to date ended 30-Jun-16 RM'000	Variance RM'000
Revenue - Animal Health Product Division	14,596	14,968	(372)
- Food Service Equipment Division	15,434	17,471	(2,037)
- Food Supplies Division	326	315	11

The Group achieved revenue of RM30.36 million for the current year to date ended 30 June 2017 as compared to RM32.75 million in the preceding year to date ended 30 June 2016. The decrease in revenue by approximately 7.30% compared to the preceding year to date was mainly due to reasons as explained below.

During the current year to date ended 30 June 2017, Animal Health Product Division recorded revenue of RM14.60 million as compared to RM14.97 million in the preceding year ended 30 June 2016. The decrease of approximately 2.47% 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 2017, Foodservice Equipment Division recorded revenue of RM15.43 million as compared to RM17.47 million in the preceding year ended 30 June 2016. The decrease of approximately 11.68% was due to overall decreased demand for our food supplies and equipment by our customers.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017

B1. Review of performance (contn'd)

During the current year to date ended 30 June 2017, Food Manufacturing Division recorded revenue of RM0.32 million as compared to RM0.31 million in the preceding year ended 30 June 2016. The increase of approximately 3.22% 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 2017, the Group achieved a profit before tax of approximately RM1.13 million as compared to RM1.44 million in the immediate preceding quarter ended 31 March 2017. The decreased in profit before taxation of RM0.31 million, representing a decrease of approximately 21.53% was mainly due to the increase in cost of sales and selling expenses.

The cost of sales had increased by approximately RM1.15 million from approximately RM8.99 million in the immediate preceding quarter ended 31 March 2017 to approximately RM10.14 million in the current quarter ended 30 June 2017. The increased in cost of sales was in line with the increased in sales during current quarter under review.

The selling expenses had increased by approximately RM0.39 million from approximately RM1.21 million in the immediate preceding quarter ended 31 March 2017 to approximately RM1.60 million in the current quarter ended 30 June 2017. The increase in selling expenses was mainly due to sales promotion expenses during current quarter.

B3. Prospects

The market sentiment remains weak during current quarter. Consequently the economic environment and consumer spending will be weaker than usual causes many of our planned projects being delay to further dates. The Group despite, the challenging environment faced in both the animal health and F&B industry, will continue its efforts to monitor its alignment with its growth strategies, whilst putting in place stringent cost control measures, pursue to provide market leading services and solutions in terms of quality, pricing and overall customers satisfaction.

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.

B4. Profit forecast

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

B5. Taxation

	Current Quarter Ended 30-06-17 RM'000	Preceding Year Corresponding Quarter Ended 30-06-16 RM'000	Current Year-To-Date Ended 30-06-17 RM'000	Preceding Year-To-Date Ended 30-06-16 RM'000
Income tax:				
- current year	408	676	936	1,334
- (Over) / under provision of tax in prior year	-	-	-	-
	<u>408</u>	<u>676</u>	<u>936</u>	<u>1,334</u>
Deferred tax				
- Relating to origination and reversal of temporary difference	-	-	-	-
- (Over) /under provision of tax in prior year	-	-	-	-
	<u>408</u>	<u>676</u>	<u>936</u>	<u>1,334</u>

The Group's effective tax rate for the current quarter 30 June 2017 was 36.17% and current year to date ended 30 June 2017 was 36.42% which was higher than the statutory rate due to certain non tax-deductible expenses.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017

B6. Status of corporate proposal

Save as disclosed below, there were no corporate proposals announced but not completed as at the date of this report:-

On 19 April 2017, SCC proposed to undertake the following corporate proposals:

- (a) proposed bonus issue of 4,277,580 new ordinary shares in SCC (“SCC Shares”) (“Bonus Shares”) on the basis of 1 Bonus Share for every 10 existing SCC Shares held on an entitlement date to be determined later (“Proposed Bonus Issue”); and
- (b) proposed share split involving the subdivision of every 1 SCC Share held after the Proposed Bonus Issue into 3 ordinary shares in SCC,

(collectively referred to as the “Proposals”).

The Proposals were completed on 11 July 2017.

B7. Group borrowings and debt securities

The Group’s borrowings as 30 June 2017 were as follow:-

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
<u>Short term borrowings:-</u>			
Hire purchase payables	29	-	29
	<u>29</u>	<u>-</u>	<u>29</u>
<u>Long term borrowings:-</u>			
Hire purchase payables	25	-	25
	<u>25</u>	<u>-</u>	<u>25</u>
Total borrowings	<u>54</u>	<u>-</u>	<u>54</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 2017.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017

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-17 RM'000	Corresponding Quarter Ended 30-Jun-16 RM'000	Current Year-To-Date Ended 30-Jun-17 RM'000	Corresponding Year -To -Date Ended 30-Jun-16 RM'000
Group's profit after tax attributable to ordinary equity holders of the parent(RM)	720	1,082	1,634	2,586
Weighted average number of ordinary shares	42,746	42,757	42,746	42,757
Earnings per share (sen)	1.68	2.53	3.82	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-17 RM'000	Unaudited As at 30-June-16 RM'000
Total retained profits of the Group		
- Realised	26,363	25,234
- Unrealised	(205)	7
	26,158	25,241
Add: Consolidation adjustments	(12,277)	(12,246)
At 30 June	13,881	12,995

B12. Profit for the year

Profit for the current quarter ended 30 June 2017 was arrived at after crediting / (charging) the following:

	Current Quarter Ended 30-Jun-17 RM'000	Current Year to Date Ended 30-Jun-17 RM'000
Interest income	18	37
Other income including investment income	152	274
Interest expense	(1)	(2)
Depreciation and amortization	(168)	(336)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain on disposal of quoted or unquoted investments or properties	-	28
Impairment of assets	-	-
Foreign exchange gain /(loss)	20	0
Gain / (loss) on derivatives	-	-
Exceptional items (with details)	-	-

SCC HOLDINGS BERHAD (Company No: 511477-A)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017

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 2017.

By order of the board
SCC Holdings Berhad

Wong Yuet Chyn (MAICSA 7047163)
Company Secretary
Kuala Lumpur
Date: 25 August 2017