

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

|  | 3 months ended 31 December  |                             |      | 12 months ended 31 December |                           |     |
|--|-----------------------------|-----------------------------|------|-----------------------------|---------------------------|-----|
|  | 2018<br>RM'000<br>Unaudited | 2017<br>RM'000<br>Unaudited | %    | 2018<br>RM'000<br>Unaudited | 2017<br>RM'000<br>Audited | %   |
| <b>Revenue</b>                                   | 16,807                      | 15,603                      | 8%   | 66,159                      | 61,845                    | 7%  |
| Cost of sales                                    | (11,750)                    | (10,975)                    |      | (42,793)                    | (40,144)                  |     |
| <b>Gross profit</b>                              | 5,057                       | 4,628                       | 9%   | 23,366                      | 21,701                    | 8%  |
| Other income                                     | 335                         | 342                         |      | 1,149                       | 1,329                     |     |
| Administrative and other operating expenses      | (1,314)                     | (1,000)                     |      | (10,558)                    | (9,187)                   |     |
| Selling and distribution expenses                | (534)                       | (261)                       |      | (4,357)                     | (5,268)                   |     |
| <b>Operating profit</b>                          | 3,544                       | 3,709                       | -4%  | 9,600                       | 8,575                     | 12% |
| Finance costs                                    | -                           | -                           |      | (0)                         | (2)                       |     |
| <b>Profit before taxation</b>                    | 3,544                       | 3,709                       | -4%  | 9,600                       | 8,573                     | 12% |
| Taxation   | (909)                       | (631)                       |      | (2,576)                     | (2,523)                   |     |
| <b>Profit for the period</b>                     | 2,635                       | 3,078                       | -14% | 7,024                       | 6,050                     | 16% |
| Other comprehensive income                       | (7)                         | -                           |      | (2)                         | 14                        |     |
| Foreign currency translation difference          | -                           | (62)                        |      | -                           | -                         |     |
| <b>Total comprehensive income for the period</b> | 2,628                       | 3,016                       | -13% | 7,022                       | 6,064                     | 16% |

Profit after taxation attributable to the equity holders of the Company

2,635      3,078      7,024      6,050

Total comprehensive income attributable to the equity holders of the Company

2,628      3,016      7,022      6,064

Weighted average no. of ordinary shares in issue ('000)

141,160      141,160      141,160      141,160

Earnings per share (sen):

- Basic      1.87      2.18      4.98      4.29  
- Diluted      1.87      2.18      4.98      4.29

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 2017 and the accompanying explanatory notes attached to the interim financial statements.

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

|  | <b>UNAUDITED</b><br><b>As at</b><br><b>31/12/2018</b><br><b>RM'000</b> | <b>AUDITED</b><br><b>As At</b><br><b>31/12/2017</b><br><b>RM'000</b> |
|--|--|--|
| <b>ASSETS</b>  |  |  |
| <b>Non-current assets</b>  |  |  |
| Property, plant and equipment  | 5,542  | 4,896  |
| Investment securities  | 66   | 68   |
| Goodwill on consolidation  | 8  | 8  |
|  | 5,616  | 4,972  |
| <b>Current Assets</b>  |  |  |
| Inventories  | 7,949  | 6,841  |
| Trade receivables  | 15,003   | 15,402   |
| Other receivables, deposits and prepayments                                      | 1,791  | 605  |
| Tax recoverable  | 134  | 107  |
| Other investment   | 13,696   | 14,324   |
| Cash and bank balances   | 6,606  | 6,443  |
|  | 45,179   | 43,722   |
| <b>TOTAL ASSETS</b>  | <b>50,795</b>  | <b>48,694</b>  |
| <b>EQUITY AND LIABILITIES</b>  |  |  |
| <b>Equity attributable to equity holders of the Company</b>                      |  |  |
| Share capital  | 24,079   | 24,079   |
| Reserves   | 18,231   | 16,051   |
| <b>Total equity</b>  | <b>42,310</b>  | <b>40,130</b>  |
| <b>Non current liabilities</b>   |  |  |
| Deferred tax liabilities   | 201  | 200  |
|  | 201  | 200  |
| <b>Current liabilities</b>   |  |  |
| Trade payables   | 3,629  | 3,731  |
| Other payables, deposits and accruals  | 3,683  | 3,757  |
| Hire purchase payables   | -  | 25   |
| Bank borrowing   | -  | 276  |
| Tax payables   | 972  | 575  |
|  | 8,284  | 8,364  |
| <b>Total liabilities</b>   | <b>8,485</b>   | <b>8,564</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>50,795</b>  | <b>48,694</b>  |
| Net assets per share attributable to ordinary equity owners of the Company (sen) | 29.97  | 28.43  |

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 2017 and the accompanying explanatory notes attached to the interim financial statements.

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

|   | Non-Distributable          |                            |   |   | Distributable                 | Total<br>Equity<br>RM'000 |
|---|----------------------------|----------------------------|---|---|-------------------------------|---------------------------|
|   | Share<br>Capital<br>RM'000 | Share<br>Premium<br>RM'000 | Fair value<br>Adjustment<br>Reserve<br>RM'000 | Foreign<br>Currency<br>Translation<br>Reserve<br>RM'000 | Retained<br>Profits<br>RM'000 |                           |
| Balance as at 1.1.2017  | 21,388                     | 2,696                      | 58  | -   | 14,326                        | 38,468                    |
| Issue of shares   | -                          | (5)                        | -   | -   | -                             | (5)                       |
| Dividends   | -                          | -                          | -   | -   | (4,397)                       | (4,397)                   |
| Total comprehensive income<br>for the financial year                                | -                          | -                          | 14  | -   | 6,050                         | 6,064                     |
| Transfer in accordance with Section 618(2)<br>of the Companies Act, 2016            | 2,691                      | (2,691)                    | -   | -   | -                             | -                         |
| At 31 December 2017 ( <i>Audited</i> )  | 24,079                     | -                          | 72  | -   | 15,979                        | 40,130                    |
| Balance as at 1.1.2018  | 24,079                     | -                          | 72  | -   | 15,979                        | 40,130                    |
| Opening balance adjustments from adoption of MFRS 9<br>At 1 January 2018 (Restated) | -                          | -                          | -   | -   | (43)                          | (43)                      |
| Dividends   | -                          | -                          | -   | -   | (4,799)                       | (4,799)                   |
| Total comprehensive income<br>for the financial year                                | -                          | -                          | (2)   | -   | 7,024                         | 7,022                     |
| Balance as at 31.12.2018 ( <i>Unaudited</i> )                                       | 24,079                     | -                          | 70  | -   | 18,161                        | 42,310                    |

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 2017 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

|  | <b>12 months ended<br/>31/12/2018<br/>RM'000</b> | <b>12 months ended<br/>31/12/2017<br/>RM'000</b> |
|--|--|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                    |  |  |
| Profit before taxation   | 9,600  | 8,573  |
| Adjustments for  |  |  |
| - Depreciation   | 587  | 665  |
| - Gain/loss on disposal of property, plant and equipment                       | (10)   | (28)   |
| - Impairment loss on trade receivables   | 46   | 52   |
| - Fixed asset written off  | 1  | -  |
| - Reversal of impairment loss on trade receivables                             | (80)   | (139)  |
| - Reversal of inventory written down   | -  | (288)  |
| - Dividend received  | (1)  | (1)  |
| - Unrealised loss/(gain) on foreign exchange                                   | -  | 47   |
| - Fair value gain on financial assets  | (601)  | (463)  |
| - Interest income  | (73)   | (81)   |
| - Finance cost   | 0  | 2  |
| <b>Operating profit before working capital changes</b>                         | <b>9,469</b>                                     | <b>8,339</b>                                     |
| Changes in working capital   |  |  |
| Inventories  | (1,108)  | 1,773  |
| Receivables  | (1,131)  | (2,196)  |
| Payables   | 22   | (1,150)  |
| <b>Net cash generated from operations</b>                                      | <b>7,252</b>                                     | <b>6,766</b>                                     |
| Interest received  | 73   | 81   |
| Interest expenses  | (0)  | (2)  |
| Taxation refund  | 148  | -  |
| Taxation paid  | (2,352)  | (1,755)  |
| <b>Net cash flows from operating activities</b>                                | <b>5,121</b>                                     | <b>5,090</b>                                     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                    |  |  |
| Net (purchase) / withdrawal of other investments                               | 1,229  | 628  |
| Sales proceeds on disposal of property, plant and equipment                    | 15   | 88   |
| Expenses incurred in bonus issued and share split                              | -  | (5)  |
| Dividend received  | 1  | 1  |
| Dividend paid  | (4,658)  | (4,278)  |
| Purchase of property, plant and equipment                                      | (1,239)  | (182)  |
| <b>Net cash flows from investing activities</b>                                | <b>(4,652)</b>                                   | <b>(3,748)</b>                                   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                    |  |  |
| Share issuance expenses  | -  | -  |
| Repayment of hire purchase liabilities   | (26)   | (67)   |
| <b>Net cash used in financing activities</b>                                   | <b>(26)</b>                                      | <b>(67)</b>                                      |
| <b>Net Changes In Cash And Cash Equivalents</b>                                | <b>443</b>                                       | <b>1,275</b>                                     |
| <b>Cash And Cash Equivalents At The Beginning Of The Period</b>                | <b>6,163</b>                                     | <b>4,929</b>                                     |
| <b>Effect of exchange translation differences on cash and cash equivalents</b> | <b>-</b>   | <b>(37)</b>                                      |
| <b>Cash And Cash Equivalents At The End Of The Period</b>                      | <b>6,606</b>                                     | <b>6,167</b>                                     |
| <b>Analysis of Cash And Cash Equivalents</b>                                   |  |  |
| Cash and bank balances   | 6,606  | 6,443  |
|  | <b>6,606</b>                                     | <b>6,443</b>                                     |
| Less: Bank borrowings  | -  | (276)  |
|  | <b>6,606</b>                                     | <b>6,167</b>                                     |

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 2017 and the accompanying explanatory notes attached to the interim financial statements.

**SCC HOLDINGS BERHAD (Company No: 511477-A)**

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018  
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 2017 and the accompanying explanatory notes attached to the interim financial report.

The Group has adopted the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January 2018. The adoption of MFRS 9 does not have any significant impact to the financial report of the Group. MFRS 15 gives impact to the financial statements of the Group in the following manner :

- Reclassification of certain expenses previously presented as selling and distribution expenses to revenue.

**A2. Summary of significant accounting policies**

The financial information presented herein has been prepared in accordance with the accounting policies to be used in preparing the annual consolidated financial statements for 31 December 2018 under the MFRS framework. These policies do not differ significantly from those used in the audited consolidated financial statements for 31 December 2017 except as disclosed below:

As of 1 January 2018, the Group have adopted the following revised MFRSs and Amendments to MFRSs that have been issued by the MASB:

**MFRSs and amendments effective for annual period beginning on or after 1 January 2018:**

Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)

Amendments to MFRS 2: Share-based Payment: Classification and Measurement of Share-based Payment Transactions

MFRS 9: Financial Instruments

MFRS 15: Revenue from Contracts with Customers

MFRS 15: Revenue from Contracts with Customers: Clarifications to MFRS 15

Amendments to MFRS 128: Investments in Associates and Joint Ventures (Annual Improvements 2014-2016 Cycle)

Amendments to MFRS 140: Investment Property: Transfers of Investment Property

IC Interpretation 22: Foreign Currency Transactions and Advance Consideration

The adoption of the above pronouncement has no material financial impact to the Group other than as asset out below:

- i. MFRS 9: Financial instruments

The Group adopted MFRS 9: Financial Instruments on 1 January 2018. MFRS 9 replaces the guidance in MFRS 139 Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, impairment of financial assets, and on hedge accounting.

**SCC HOLDINGS BERHAD (Company No: 511477-A)**

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

**A2. Summary of significant accounting policies (cont'd)**

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

MFRS 9 contains three principal classifications categories for financial assets: measured at amortised cost, fair value through other comprehensive income (“FVOCI”) and fair value through profit or loss (“FVTPL”). The standard eliminates the existing MFRS 139 categories of held to maturity, loans and receivables and available for sale. The Group has elected to classify the equity investments as FVTPL and present subsequent changes in the investment’s fair value to profit or loss.

MFRS 9 also replaces the incurred loss model in MFRS 139 with a forward-looking expected credit loss (“ECL”) model. Under MFRS 9, loss allowances will be measured on either 12 month ECLs or Lifetime ECLs. As allowed by the transitional provision of MFRS 9, the Group elected not to restate the comparatives.

Effects arising from the initial application of the new impairment model and the recognition of equity investments to FVTPL are as follows:

|                               | <b>Impact of adoption of MFRS 9 to opening balance<br/>at 1 January 2018</b> |
|-------------------------------|--|
|                               | <b>RM ‘000</b>   |
| Decrease in retained earnings | 43   |
| Decrease in trade receivables | 43   |

The current year to date impact of RM46,705.45 of expected credit losses reverse into profit or loss in the current year.

ii. **MFRS 15: Revenue from Contract with Customers**

MFRS 15 replaces the guidance in MFRS 111 Construction Contracts, MFRS 118 Revenue, IC Interpretation 13 Customer Loyalty Programmes, IC Interpretation 15, Agreements for Construction of Real Estate, IC Interpretation 18, Transfers of Assets from Customers and IC Interpretation 131, Revenue – Barter Transactions Involving Advertising Services. MFRS 15 provides a single model for accounting for revenue arising from contracts with customers, focusing on the identification and satisfaction of performance obligations.

The application of MFRS 15 does not a material effect on the Group’s financial statements

**A3. Auditors’ report**

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

**SCC HOLDINGS BERHAD (Company No: 511477-A)**

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

**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 1.7 sen per ordinary share amounting to RM 2,399,722.35 in respect of the financial year ending 31 December 2018 was paid on 22 January 2019.
- (b) There was no dividend paid during the financial period ended 31 December 2017.

**SCC HOLDINGS BERHAD (Company No: 511477-A)**

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

**A9. Segmental information**

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

|  | <b>3 months ended</b> |                   | <b>12 months ended</b> |                   |
|--|-----------------------|-------------------|------------------------|-------------------|
|  | <b>31/12/2018</b>     | <b>31/12/2017</b> | <b>31/12/2018</b>      | <b>31/12/2017</b> |
|  | <b>RM'000</b>         | <b>RM'000</b>     | <b>RM'000</b>          | <b>RM'000</b>     |
| <b>Profit</b>  |                       |                   |                        |                   |
| Reportable segment profit                                      | 2,635                 | 3,078             | 7,024                  | 6,050             |
| <i>Included in the measure of segment profit are:</i>          |                       |                   |                        |                   |
| Revenue - Animal Health Products                               | 8,331                 | 8,473             | 32,365                 | 31,980            |
| - Foodservice Equipment  | 4,665                 | 3,459             | 17,092                 | 13,432            |
| - Food Supplies  | 3,765                 | 3,643             | 16,493                 | 16,196            |
| - Food Manufacturing   | 46                    | 28                | 209                    | 237               |
|  | 16,807                | 15,603            | 66,159                 | 61,845            |
| Add: Inter-segment sales                                       | 4,119                 | 3,028             | 12,062                 | 11,787            |
| Total revenue before eliminating inter company transaction     | 20,926                | 18,631            | 78,221                 | 73,632            |
| Depreciation of property, plant and equipment                  | (159)                 | (160)             | (587)                  | (665)             |
| <b>Reconciliation of reportable segment profit and revenue</b> |                       |                   |                        |                   |
| <b>Profit</b>  |                       |                   |                        |                   |
| Reportable segment revenue                                     | 16,807                | 15,603            | 66,159                 | 61,845            |
| Unallocated expenses   | (13,284)              | (11,919)          | (56,632)               | (53,351)          |
| Finance cost   | -                     | -                 | 0                      | (2)               |
| Finance income   | 21                    | 26                | 73                     | 81                |
| Taxation   | (909)                 | (631)             | (2,576)                | (2,523)           |
| Consolidated profit after tax                                  | 2,635                 | 3,078             | 7,024                  | 6,050             |
| <b>Revenue</b>   |                       |                   |                        |                   |
| Reported segment   | 16,807                | 15,603            | 66,159                 | 61,845            |
| Non-reportable segment   | -                     | -                 | -                      | -                 |
| Consolidated revenue   | 16,807                | 15,603            | 66,159                 | 61,845            |

No segmental information is provided on a geographical basis as the Group's activities are carried out predominantly in Malaysia.

**Segment assets**

Segment assets information is not presented regularly to Board of Directors and hence, no disclosure is made on segment assets.

**Segment liabilities**

Segment liabilities information is not presented regularly to Board of Directors and hence, no disclosure is made on segment liabilities.

The comments on page 5 apply to operating segments.



**SCC HOLDINGS BERHAD (Company No: 511477-A)**

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

**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 2017, there were no other significant related party transactions for the current quarter under review.

**SCC HOLDINGS BERHAD (Company No: 511477-A)**

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

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

**B1. Review of performance**

The comparison of the current year 4th quarter revenue against previous year 4th quarter revenue is set out below:

|                                | 3 months ended 31 December |            |        | 12 months ended 31 December |            |        |
|--------------------------------|----------------------------|------------|--------|-----------------------------|------------|--------|
|                                | 31/12/2018                 | 31/12/2017 | Change | 31/12/2018                  | 31/12/2017 | Change |
|                                | RM'000                     | RM'000     | %      | RM'000                      | RM'000     | %      |
| Revenue                        | 16,807                     | 15,603     | 8%     | 66,159                      | 61,845     | 7%     |
| Cost of sales                  | (11,750)                   | (10,975)   | 7%     | (42,793)                    | (40,144)   | 7%     |
| Gross profit                   | 5,057                      | 4,628      | 9%     | 23,366                      | 21,701     | 8%     |
| Profit before interest and tax | 3,544                      | 3,709      | -4%    | 9,600                       | 8,575      | 12%    |
| Profit before tax              | 3,544                      | 3,709      | -4%    | 9,600                       | 8,573      | 12%    |
| Profit after tax               | 2,635                      | 3,078      | -14%   | 7,024                       | 6,050      | 16%    |

**Quarter Ended 31 December 2018 compared to Quarter Ended 31 December 2017**

The Group's revenue for the current quarter ended 31 December 2018 increased by 8% to RM16.81 million compared to RM15.60 million in the preceding corresponding quarter ended 31 December 2017. The increase was mainly due to reasons as explained below.

During the current quarter ended 31 December 2018, Animal Health Product Division recorded revenue of RM8.33 million as compared to RM8.47 million in the preceding quarter ended 31 December 2017. The decrease of approximately 2% was due to decrease in demand by customers.

During the current quarter ended 31 December 2018, Foodservice Equipment Division recorded revenue of RM8.43 million as compared to RM7.10 million in the preceding year quarter ended 31 December 2017. The increase of approximately 19% was due to higher demand for equipment by hypermarkets and food supplies by cinemas during the current quarter.

During the current quarter ended 31 December 2018, Food Manufacturing Division recorded revenue of RM0.05 million as compared to RM0.03 million in the preceding year quarter ended 31 December 2017. The increase of approximately 67% was due to the increase in demands from chain restaurants during current quarter under review.

**Twelve Months Ended 31 December 2018 compared to Twelve Months Ended 31 December 2017**

The Group achieved revenue of RM66.16 million for the current year ended 31 December 2018 as compared to RM61.85 million in the preceding year to date ended 31 December 2017. The increase in revenue by approximately 7% was mainly due to reasons as explained below.

During the current year to date ended 31 December 2018, Animal Health Product Division recorded revenue of RM32.37 million as compared to RM31.98 million in the preceding year to date ended 31 December 2017. The increase of approximately of 1% was due to higher demand from customers.

During the current year to date ended 31 December 2018, Foodservice Equipment Division recorded revenue of RM33.59 million as compared to RM29.63 million in the preceding year ended 31 December 2017. The increase of approximately 13% was due to overall increased demand for our foodservice equipment and food supplies by our customers.

**SCC HOLDINGS BERHAD (Company No: 511477-A)**

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

**B1. Review of performance (cont'd)**

During the current year to date ended 31 December 2018, Food Manufacturing Division recorded revenue of RM0.21 million as compared to RM0.24 million. The decrease of approximately 13% was due to decrease in demands from chain restaurants 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**

|                                | 3 months ended |            |        |
|--------------------------------|----------------|------------|--------|
|                                | 31/12/2018     | 30/09/2018 | Change |
|                                | RM'000         | RM'000     | %      |
| Revenue                        | 16,807         | 20,056     | -16%   |
| Operating profit               | 3,544          | 3,010      | 18%    |
| Profit before interest and tax | 3,544          | 2,867      | 24%    |
| Profit before tax              | 3,544          | 2,867      | 24%    |
| Profit after tax               | 2,635          | 2,134      | 23%    |

For current quarter ended 31 December 2018, the Group achieved a profit before tax of approximately RM3.54 million as compared to RM2.87 million in the immediate preceding quarter ended 30 September 2018. The increase in profit before taxation approximately by 24% compared to the immediate preceding quarter was mainly due to cost savings in operating expenditure and reversal of provisions for staff expenses during the current quarter.

**B3. Prospects**

Moving forward into 2019, the Malaysian economy is expected to experience moderate growth, supported mainly by external demand and resilience in private consumption.

However, the country is still being challenged by rising external headwinds, namely uncertainties coming from the ongoing trade tensions between the US and China, and also from the European Union (Brexit).

Nevertheless, the strengthening of the Ringgit against the USD in recent months could bring some relief to the Group as most of its supplies are transacted in USD.

The Group despite the challenges it faces will continue its effort to align its business strategies and speed up diversification in order to mitigate the effects of rapid changing business environment.

The Board of Directors would exercise extra caution in conducting their duties during these periods and 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.

**SCC HOLDINGS BERHAD (Company No: 511477-A)**

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**

**B5. Taxation**

|  | 3 months ended       |                      | 12 months ended      |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | 31/12/2018<br>RM'000 | 31/12/2017<br>RM'000 | 31/12/2018<br>RM'000 | 31/12/2017<br>RM'000 |
| Income tax:  |                      |                      |                      |                      |
| - current year   | 909                  | 617                  | 2,576                | 2,298                |
| - (Over) / under provision of tax in prior year                | -                    | 14                   | -                    | 102                  |
|  | 909                  | 631                  | 2,576                | 2,400                |
| Deferred tax   |                      |                      |                      |                      |
| - Relating to origination and reversal of temporary difference | -                    | -                    | -                    | (41)                 |
| - (Over) /under provision of tax in prior year                 | -                    | -                    | -                    | 164                  |
|  | 909                  | 631                  | 2,576                | 2,523                |

The Group's effective tax rate for the current quarter ended 31 December 2018 was 25.65% and current year to date ended 31 December 2018 was 26.83% which was higher than the statutory rate due to certain non tax-deductible expenses.

**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. Group borrowings and debt securities**

The Group has no borrowings as at 31 December 2018.

**B8. Trade Receivables**

|   | Financial period ended<br>31/12/2018<br>RM'000 | Immediate preceding financial year ended<br>31/12/2017<br>RM'000 |
|---|--|--|
| Trade receivables                                     |  |  |
| Third party   | 15,354   | 15,705   |
| Less: Impairment losses                               |  |  |
| - brought forward                                     | (303)  | (391)  |
| - reversal of impairment loss for bad debts recovered | 80   | 139  |
| - written off   | 17   | 1  |
| - impaired during the period / year                   | (145)  | (52)   |
|   | (351)  | (303)  |
|   | <u>15,003</u>                                  | <u>15,402</u>  |

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**B8. Trade Receivables (Cont'd)**

The Groups' normal trade credits range from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis. The credit period varies from customers to customers after taking into consideration their payment track record, financial background, length of business relationship and size of transactions.

The Group has no significant concentration of credit risk that may arise from exposure to a single receivable or to groups of receivables.

**Ageing analysis of trade receivables is as follow:**

|   | <b>Financial<br/>period<br/>ended<br/>31/12/2018<br/>RM'000</b> | <b>Immediate<br/>preceding<br/>financial year<br/>ended<br/>31/12/2017<br/>RM'000</b> |
|---|---|---|
| Neither past due nor impaired                         | 8,968   | 9,614   |
| Up to 90 days past due not impaired                   | 5,662   | 5,364   |
| More than 90 days past due not impaired               | 724   | 727   |
|   | 6,386   | 6,091   |
| Impaired  |   |   |
| - brought forward                                     | (303)   | (391)   |
| - reversal of impairment loss for bad debts recovered | 80  | 139   |
| - written off   | 17  | 1   |
| - impaired during the period / year                   | (145)   | (52)  |
|   | (351)   | (303)   |
|   | 15,003  | 15,402  |

**Commentaries for the recoverability of trade receivables which exceed the average credit terms granted:**

All trade receivables which exceeded the average credit terms are closely monitored by the credit control committee.

**B9. Fair value information**

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments. Fair value of quoted equity instrument is determined directly by reference to their published market bid price at the reporting date.

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**B9. Fair value information (Cont'd)**

There have been no transfers between Level 1 and Level 2 during the financial year.

The table below analyses financial instruments carried at fair value shown in the statement of financial position.

| <b>As at 31.12.2018</b>  |                |                |                |               |
|--|----------------|----------------|----------------|---------------|
| <b>Fair value of financial instruments carried at fair value</b> |                |                |                |               |
|  | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>  |
|  | <b>RM'000</b>  | <b>RM'000</b>  | <b>RM'000</b>  | <b>RM'000</b> |
| <b>Financial assets</b>  |                |                |                |               |
| Investment securities  | 66             | -              | -              | 66            |
| Other investment   | 13,696         | -              | -              | 13,696        |
|  | 13,762         | -              | -              | 13,762        |

| <b>As at 31.12.2017</b>  |                |                |                |               |
|--|----------------|----------------|----------------|---------------|
| <b>Fair value of financial instruments carried at fair value</b> |                |                |                |               |
|  | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>  |
|  | <b>RM'000</b>  | <b>RM'000</b>  | <b>RM'000</b>  | <b>RM'000</b> |
| <b>Financial assets</b>  |                |                |                |               |
| Investment securities  | 68             | -              | -              | 68            |
| Other investment   | 14,324         | -              | -              | 14,324        |
|  | 14,392         | -              | -              | 14,392        |

**B10. Material litigation**

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

**B11. Dividend**

No dividend was paid, declared or proposed during the quarter under review.

**B12. 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>3 months ended 31 December</b> |               | <b>12 months ended 31 December</b> |               |
|---|-----------------------------------|---------------|------------------------------------|---------------|
|   | <b>2018</b>                       | <b>2017</b>   | <b>2018</b>                        | <b>2017</b>   |
|   | <b>RM'000</b>                     | <b>RM'000</b> | <b>RM'000</b>                      | <b>RM'000</b> |
| Group's profit after tax attributable to ordinary equity holders of the parent (RM) | 2,635                             | 3,078         | 7,024                              | 6,050         |
| Weighted average number of ordinary shares  | 141,160                           | 141,160       | 141,160                            | 141,160       |
| Earnings per share (sen)  | 1.87                              | 2.18          | 4.98                               | 4.29          |

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**B13. Profit for the year**

Profit for the current quarter ended 31 December 2018 was arrived at after crediting / (charging) the following:

|  | 3 months ended 31 December |                | 12 months ended 31 December |                |
|--|----------------------------|----------------|-----------------------------|----------------|
|  | 2018<br>RM'000             | 2017<br>RM'000 | 2018<br>RM'000              | 2017<br>RM'000 |
| <b>Profit for the period is arrived at after charging/(crediting):</b> |                            |                |                             |                |
| Interest income  | 21                         | 26             | 73                          | 81             |
| Fair value gain on financial assets                                    | 158                        | 142            | 601                         | 463            |
| Gain on disposal of quoted or unquoted investments or properties       | -                          | (1)            | 10                          | 28             |
| Foreign exchange gain/(loss)   | 54                         | 1              | 143                         | (47)           |
| Finance costs  | -                          | -              | -                           | (2)            |
| Depreciation and amortization  | (159)                      | (160)          | (587)                       | (665)          |
| Provision for and write off of receivables                             | (46)                       | (38)           | (46)                        | (52)           |

**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 25 February 2019.

By order of the Board  
SCC Holdings Berhad

Wong Yuet Chyn (MAICSA 7047163)  
Company Secretary  
Kuala Lumpur  
Date: 25 February 2019