

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

	3 months ended 30 June			6 months ended 30 June		
	2020 RM'000 Unaudited	2019 RM'000 Unaudited	%	2020 RM'000 Unaudited	2019 RM'000 Unaudited	%
Revenue	7,891	17,036	-54%	21,595	30,263	-29%
Cost of sales	(5,408)	(11,344)		(14,562)	(20,019)	
Gross profit	2,483	5,693	-56%	7,033	10,244	-31%
Other income	269	347		522	580	
Administrative and other operating expenses	(2,896)	(3,554)		(5,988)	(6,702)	
Selling and distribution expenses	(510)	(1,001)		(1,432)	(1,885)	
Operating (loss)/profit	(654)	1,485	-144%	135	2,237	-94%
Finance costs	(17)	-		(33)	-	
(Loss)/Profit before taxation	(671)	1,485	-145%	102	2,237	-95%
Taxation	13	(581)		(331)	(938)	
(Loss)/Profit for the period	(658)	904	-173%	(229)	1,299	-118%
Other comprehensive income	12	(1)		(4)	3	
Total comprehensive (loss)/income for the period	(646)	903	-172%	(233)	1,302	-118%
(Loss)/Profit after taxation attributable to the equity holders of the Company	(658)	904		(229)	1,299	
Total comprehensive (loss)/income attributable to the equity holders of the Company	(646)	903		(233)	1,302	
Weighted average no. of ordinary shares in issue ('000)	141,160	141,160		141,160	141,160	
(Loss)/Earnings per share (sen):						
- Basic	(0.47)	0.64		(0.16)	0.92	
- Diluted	(0.47)	0.64		(0.16)	0.92	

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	UNAUDITED As at 30/06/2020 RM'000	AUDITED As At 31/12/2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	5,078	5,341
Investment securities	79	72
Right of Use Assets	801	814
Goodwill on consolidation	8	8
	5,966	6,235
Current Assets		
Inventories	13,934	10,858
Trade receivables	9,491	13,212
Other receivables, deposits and prepayments	449	1,303
Tax recoverable	100	67
Other investment	15,033	14,725
Cash and bank balances	3,674	5,764
	42,681	45,929
TOTAL ASSETS	48,647	52,164
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	24,079	24,079
Reserves	18,724	18,957
Total equity	42,803	43,036
Non current liabilities		
Deferred tax liabilities	86	86
Long Term Lease	475	499
	561	585
Current liabilities		
Trade payables	2,721	3,632
Other payables, deposits and accruals	2,162	3,870
Short term lease	371	355
Tax payables	29	686
	5,283	8,543
Total liabilities	5,844	9,128
TOTAL EQUITY AND LIABILITIES	48,647	52,164
Net assets per share attributable to ordinary equity owners of the Company (sen)	30.32	30.49

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 2019 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 2020**

	Non-Distributable				Distributable	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Fair value Adjustment Reserve RM'000	Foreign Currency Translation Reserve RM'000	Retained Profits RM'000	
Balance as at 1.1.2019 as previously stated	24,079	-	70	-	18,286	42,435
Effect of adopting MFRS 16	-	-	-	-	(24)	(24)
At 1 January 2019, as restated	24,079	-	70	-	18,262	42,411
Dividends	-	-	-	-	(4,799)	(4,799)
Total comprehensive income for the financial year	-	-	(6)	3	5,427	5,424
At 31 December 2019 (<i>Audited</i>)	24,079	-	64	3	18,890	43,036
Balance as at 1.1.2020	24,079	-	64	3	18,890	43,036
Total comprehensive loss for the financial year	-	-	6	(10)	(229)	(233)
Balance as at 30.06.2020 (<i>Unaudited</i>)	24,079	-	70	(7)	18,661	42,803

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2020**

	6 months ended 30/06/2020 RM'000	12 months ended 31/12/2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	102	7,611
Adjustments for		
- Depreciation	519	1,034
- Gain/ loss on forgiven lease payments	(1)	(87)
- Impairment loss on trade receivables	-	278
- Fixed asset written off	-	2
- Reversal of impairment loss on trade receivables	-	(109)
- Unrealised loss/(gain) on foreign exchange	-	(223)
- Fair value gain on financial assets	(212)	(481)
- Interest income	(33)	(86)
- Interest expenses	33	71
Operating profit before working capital changes	408	8,010
Changes in working capital		
Inventories	(3,072)	(2,910)
Receivables	4,279	3,532
Payables	62	(1,329)
Net cash generated from operations	1,677	7,303
Interest received	33	86
Interest expenses	-	(71)
Taxation refund	-	186
Taxation paid	(1,021)	(2,530)
Net cash flows from operating activities	689	4,974
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (purchase) / withdrawal of other investments	(96)	(547)
Sales proceeds on disposal of property, plant and equipment	-	88
Dividend paid	(2,400)	(4,799)
Purchase of property, plant and equipment	(62)	(501)
Net cash flows from investing activities	(2,558)	(5,759)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Financial Liabilities	(222)	(319)
Net cash used in financing activities	(222)	(319)
Net Changes In Cash And Cash Equivalents	(2,091)	(1,104)
Cash And Cash Equivalents At The Beginning Of The Period	5,762	6,642
Effect of exchange translation differences on cash and cash equivalents	3	226
Cash And Cash Equivalents At The End Of The Period	3,674	5,764
Analysis of Cash And Cash Equivalents		
Cash and bank balances	3,674	5,764
	3,674	5,764
Less: Bank borrowings	-	-
	3,674	5,764

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020
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 2019 and the accompanying explanatory notes attached to the interim financial report.

A2. Summary of significant accounting policies

The significant accounting policies adopted in the preparation of the interim financial statements are consistent with those used in the preparation of the Group's audited financial statements for the financial year ended 31 December 2019 except for the adoption of the pronouncements that become effective from 1 January 2020.

MFRSs and amendments effective for annual period beginning on or after 1 January 2020:

Amendments to MFRS 3: Definition of a Business
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108: Definition of Material
The Conceptual Framework for Financial Reporting (Revised 2018)

The adoption of the above pronouncement did not have a material impact on the financial statements of the Group.

The Group has not applied the following new MFRSs, new interpretations and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group:

		Effective dates for financial periods beginning on or after
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to MFRS 116	Proceeds before Intended Use for Property, plant and Equipment	1 January 2022
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group plans to apply the abovementioned accounting standards, interpretation and amendments when they become effective, except for MFRS 17 *Insurance Contracts*, as it is not applicable to the Group. The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the financial statements.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020

A3. Auditors' report

There was no qualification on the audited financial statements of the Group for the FYE 31 December 2019.

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 1.7 sen per ordinary share amounting to RM 2,399,722.35 in respect of the financial year ending 31 December 2019 was paid on 9 January 2020.
- (b) There was no dividend paid during the financial period ended 30 June 2020.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020

A9. Segmental information

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

	3 months ended		6 months ended	
	30/06/2020 RM'000	30/06/2019 RM'000	30/06/2020 RM'000	30/06/2019 RM'000
Profit				
Reportable segment profit	(658)	904	(229)	1,299
<i>Included in the measure of segment profit are:</i>				
Revenue - Animal Health Products	6,072	7,939	14,351	14,731
- Foodservice Equipment	1,098	4,861	4,457	7,966
- Food Supplies	721	4,225	2,784	7,532
- Food Manufacturing	-	11	4	34
	7,891	17,036	21,595	30,263
Add: Inter-segment sales	1,230	3,931	2,949	5,698
Total revenue before eliminating inter company transaction	9,121	20,968	24,544	35,961
Depreciation of property, plant and equipment	(135)	(183)	(326)	(355)
Reconciliation of reportable segment profit and revenue				
Profit				
Reportable segment revenue	7,891	17,036	21,595	30,263
Unallocated expenses	(8,575)	(15,572)	(21,526)	(28,072)
Finance cost	-	-	-	-
Finance income	13	21	33	45
Taxation	13	(581)	(331)	(938)
Consolidated (loss)/profit after tax	(658)	904	(229)	1,299
Revenue				
Reported segment	7,891	17,036	21,595	30,263
Non-reportable segment	-	-	-	-
Consolidated revenue	7,891	17,036	21,595	30,263

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.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020

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 2019, there were no other significant related party transactions for the current quarter under review.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020

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:

	3 months ended 30 June			6 months ended 30 June		
	30/06/2020	30/06/2019	Change	30/06/2020	30/06/2019	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	7,891	17,036	-54%	21,595	30,263	-29%
Cost of sales	(5,408)	(11,344)	-52%	(14,562)	(20,019)	-27%
Gross profit	2,483	5,693	-56%	7,033	10,244	-31%
(Loss)/Profit before interest and tax	(654)	1,485	-144%	135	2,237	-94%
(Loss)/Profit before tax	(671)	1,485	-145%	102	2,237	-95%
(Loss)/Profit after tax	(658)	904	-173%	(229)	1,299	-118%

Quarter Ended 30 June 2020 compared to Quarter Ended 30 June 2019

The Group's revenue for the current quarter ended 30 June 2020 decreased by 54% to RM7.891 million compared to RM17.036 million in the preceding corresponding quarter ended 30 June 2019. The decrease was mainly due to reasons as explained below.

During the current quarter ended 30 June 2020, Animal Health Product Division recorded revenue of RM6.072 million as compared to RM7.939 million in the preceding corresponding quarter ended 30 June 2019. The decrease of approximately 24% was due to decrease in demand by customers caused by the Movement Control Order (MCO).

During the current quarter ended 30 June 2020, Foodservice Equipment Division recorded revenue of RM1.819 million as compared to RM9.086 million in the preceding year quarter ended 30 June 2019. The decrease of approximately 80% was mainly due to lower demand by cinemas and hypermarkets caused by the MCO during the current quarter.

During the current quarter ended 30 June 2020, Food Manufacturing Division did not record any sales as compared to RM0.011 million in the preceding year quarter ended 30 June 2019. This is because all its sales were made to related companies during the quarter under review.

The profit before tax for the current quarter ended 30 June 2020 decreased by 145% as compared to the preceding corresponding quarter ended 30 June 2019, mainly due to decrease in revenue caused by lower demand from customers.

Six Months Ended 30 June 2020 compared to Six Months Ended 30 June 2019

The Group achieved revenue of RM21.60 million for the current year ended 30 June 2020 as compared to RM30.26 million in the preceding year to date ended 30 June 2019. The decrease in revenue by approximately 29% was mainly due to reasons as explained below.

During the current year to date ended 30 June 2020, Animal Health Product Division recorded revenue of RM14.35 million as compared to RM14.73 million in the preceding year to date ended 30 June 2019. The decrease of approximately of 3% was due to lower demand from customers.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020

B1. Review of performance (cont'd)

During the current year to date ended 30 June 2020, Foodservice Equipment Division recorded revenue of RM7.24 million as compared to RM15.5 million in the preceding year ended 30 June 2019. The decrease of approximately 53% was due to overall decreased demand for our food service equipment and food supplies by our customers caused by the MCO.

During the current year to date ended 30 June 2020, Food Manufacturing Division recorded revenue of RM0.004 million as compared to RM0.034 million. The decrease of approximately 88% 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		
	30/06/2020	31/03/2020	Change
	RM'000	RM'000	%
Revenue	7,891	13,704	-42%
Operating (loss)/profit	(654)	789	-183%
(Loss)/Profit before interest and tax	(654)	789	-183%
(Loss)/Profit before tax	(671)	773	-187%
(Loss)/Profit after tax	(658)	429	-253%

For current quarter ended 30 June 2020, the Group recorded a loss before tax of approximately RM0.671 million as compared to a profit before tax of RM0.773 million in the immediate preceding quarter ended 31 March 2020. The decrease in profit before taxation approximately by 187% compared to the immediate preceding quarter was mainly due to decrease in revenue during the current quarter.

B3. Prospects

Malaysia's economy just saw its worst performance in over two decades, having contracted by 17.1% in the second quarter (2Q), marking its worst slump since the Asian Financial Crisis and reflecting the dire impact of the MCO to contain the spread of COVID-19 pandemic.

The stringent containment measures have undermined purchasing power and domestic demand, slamming consumer spending which in turn severely impacted the Foodservice Equipment Division's performance.

However, there are green shoots of recovery with the reopening of business activities under the CMCO coupled with the wide-range of fiscal stimulus packages and low interest environment. The economy is poised for a recovery in the second half before staging a rebound in 2021.

The Group's Animal Health Product Division has seen minimal impact on its revenue and profit as the agricultural sector is one of the few sectors that still managed to post positive growth in 2Q.

Notwithstanding the above, the Group's outlook will continue to be significantly affected by the evolving COVID-19 developments.

The Group 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.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020

B4. Profit forecast

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

B5. Taxation

	3 months ended		6 months ended	
	30/06/2020 RM'000	30/06/2019 RM'000	30/06/2020 RM'000	30/06/2019 RM'000
Income tax:				
- current year	(13)	581	331	938
- (Over) / under provision of tax in prior year	-	-	-	-
	(13)	581	331	938
Deferred tax				
- Relating to origination and reversal of temporary difference	-	-	-	-
- (Over) /under provision of tax in prior year	-	-	-	-
	(13)	581	331	938

The Group's effective tax rate for the current quarter ended 30 June 2020 is -2% which is lower than the statutory rate of 24% due to the reversal of tax provisions made during the earlier quarter and current year to date ended 30 June 2020 is 325% which is higher than the statutory rate due to the profits from the Group's Animal Health Product Division netted off against losses incurred by other divisions during the current year.

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 30 June 2020.

B8. Trade Receivables

	Financial period ended 30/06/2020 RM'000	Immediate preceding financial year ended 31/12/2019 RM'000
Trade receivables		
Third party	9,858	13,594
Less: Impairment losses		
- brought forward	(382)	(351)
- reversal of impairment loss for bad debts recovered	-	247
- written off	15	-
- impaired during the period / year	-	(278)
	(367)	(382)
	9,491	13,212

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020

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:

	Financial period ended 30/06/2020 RM'000	Immediate preceding financial year ended 31/12/2019 RM'000
Neither past due nor impaired	5,783	5,625
Up to 90 days past due not impaired	2,758	7,085
More than 90 days past due not impaired	1,317	884
	4,075	7,969
Impaired		
- brought forward	(382)	(351)
- reversal of impairment loss for bad debts recovered	-	247
- written off	15	-
- impaired during the period / year	-	(278)
	(367)	(382)
	9,491	13,212

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.

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.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020

B9. Fair value information (Cont'd)

As at 30.06.2020				
Fair value of financial instruments carried at fair value				
Level 1	Level 2	Level 3	Total	
RM'000	RM'000	RM'000	RM'000	
Financial assets				
Investment securities	79	-	-	79
Other investment	15,033	-	-	15,033
	15,112	-	-	15,112

As at 31.12.2019				
Fair value of financial instruments carried at fair value				
Level 1	Level 2	Level 3	Total	
RM'000	RM'000	RM'000	RM'000	
Financial assets				
Investment securities	72	-	-	72
Other investment	14,725	-	-	14,725
	14,797	-	-	14,797

B10. Material litigation

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

B11. Dividend

No dividend has been 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 (loss)/profit after tax attributable to equity holders of the Company divided by the weighted average number of ordinary shares as follows:

	3 months ended 30 June		6 months ended 30 June	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Group's (loss)/profit after tax attributable to ordinary equity holders of the parent (RM)	(658)	904	(229)	1,299
Weighted average number of ordinary shares	141,160	141,160	141,160	141,160
(Loss)/Earnings per share (sen)	(0.47)	0.64	(0.16)	0.92

SCC HOLDINGS BERHAD (Company No: 511477-A)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2020

B13. Profit for the year

(Loss)/Profit for the current quarter ended 30 June 2020 was arrived at after crediting / (charging) the following:

	3 months ended 30 June		6 months ended 30 June	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the period is arrived at after charging/(crediting):				
Interest income	13	21	33	45
Fair value gain on financial assets	97	132	212	247
Gain/(Loss) on disposal of quoted or unquoted investments or properties	-	88	-	88
Depreciation and amortization	(264)	(470)	(519)	(642)

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 August 2020.

By order of the Board
SCC Holdings Berhad

Wong Yuet Chyn (MAICSA 7047163)
Company Secretary
Kuala Lumpur
Date: 25 August 2020