

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

	3 months ended 31 March			3 months ended 31 March		
	2018	2017		2018	2017	
	RM'000 Unaudited	RM'000 Unaudited		RM'000 Unaudited	RM'000 Unaudited	
Revenue	14,075	14,546	-3%	14,075	14,546	-3%
Cost of sales	(8,796)	(8,991)		(8,796)	(8,991)	
Gross profit	5,279	5,555	-5%	5,279	5,555	-5%
Other income	279	149		279	149	
Administrative and other operating expenses	(3,043)	(2,879)		(3,043)	(2,879)	
Selling and distribution expenses	(1,182)	(1,214)		(1,182)	(1,214)	
Operating profit	1,333	1,611	-17%	1,333	1,611	-17%
Depreciation	(150)	(168)		(150)	(168)	
Allowance for impairment	(14)	-		(14)	-	
Finance costs	-	(1)		-	(1)	
Profit before taxation	1,169	1,442	-19%	1,169	1,442	-19%
Taxation	(368)	(528)		(368)	(528)	
Profit for the period	801	914	-12%	801	914	-12%
Other comprehensive income	2	5		2	5	
Foreign currency translation difference	-	62		-	62	
Total comprehensive income for the period	803	981	-18%	803	981	-18%

Profit after taxation attributable to the equity holders of the Company

801 914 801 914

Total comprehensive income attributable to the equity holders of the Company

803 981 803 981

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

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

Earnings per share (sen):

- Basic 0.57 0.65 0.57 0.65
- Diluted 0.57 0.65 0.57 0.65

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 MARCH 2018

	UNAUDITED As at 31/03/2018 RM'000	AUDITED As At 31/12/2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,783	4,896
Investment securities	70	68
Goodwill on consolidation	8	8
	4,861	4,972
Current Assets		
Inventories	7,410	6,841
Trade receivables	12,087	15,402
Other receivables, deposits and prepayments	280	605
Tax recoverable	71	107
Other investment	17,655	14,324
Cash and bank balances	5,267	6,443
	42,770	43,722
TOTAL ASSETS	47,631	48,694
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	24,079	24,079
Reserves	16,854	16,051
Total equity	40,933	40,130
Non current liabilities		
Deferred tax liabilities	201	200
	201	200
Current liabilities		
Trade payables	2,893	3,731
Other payables, deposits and accruals	2,729	3,757
Hire purchase payables	10	25
Bank borrowing	263	276
Tax payables	602	575
	6,497	8,364
Total liabilities	6,698	8,564
TOTAL EQUITY AND LIABILITIES	47,631	48,694
Net assets per share attributable to ordinary equity owners of the Company (sen)	29.00	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 FIRST QUARTER ENDED 31 MARCH 2018**

	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 1.1.2017	21,388	2,696	58	-	14,326	38,468
Issue of shares	-	(5)	-	-	-	(5)
Dividends	-	-	-	-	(4,397)	(4,397)
Total comprehensive income for the financial year	-	-	14	-	6,050	6,064
Transfer in accordance with Section 618(2) of the Companies Act, 2016 At 31 December 2017 (<i>Audited</i>)	2,691	(2,691)				
	24,079	-	72	-	15,979	40,130
Balance as at 1.1.2018	24,079	-	72	-	15,979	40,130
Total comprehensive income for the financial period	-	-	2	-	801	803
Balance as at 31.03.2018 (<i>Unaudited</i>)	24,079	-	74	-	16,780	40,933

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 FIRST QUARTER ENDED 31 MARCH 2018**

	3 months ended 31/03/2018 RM'000	12 months ended 31/12/2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,169	8,573
Adjustments for		
- Depreciation	150	665
- Gain/loss on disposal of property, plant and equipment	-	(28)
- Impairment loss on trade receivables	-	52
- Reversal of impairment loss on trade receivables	-	(139)
- Reversal of inventory written down	-	(288)
- Dividend received	-	(1)
- Unrealised loss/(gain) on foreign exchange	-	47
- Fair value gain on financial assets	(131)	(463)
- Interest income	(16)	(81)
- Finance cost	-	2
Operating profit before working capital changes	1,172	8,339
Changes in working capital		
Inventories	(569)	1,773
Receivables	4,024	(2,196)
Payables	15	(1,150)
Net cash generated from operations	4,642	6,766
Interest received	16	81
Interest expenses	-	(2)
Taxation refund	148	-
Taxation paid	(453)	(1,755)
Net cash flows from operating activities	4,353	5,090
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (purchase) / withdrawal of other investments	(3,200)	628
Sales proceeds on disposal of property, plant and equipment	-	88
Dividend received	-	1
Dividend paid	(2,259)	(4,278)
Purchase of property, plant and equipment	(38)	(182)
Net cash flows from investing activities	(5,497)	(3,743)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issuance expenses	-	(5)
Repayment of hire purchase liabilities	(15)	(67)
Net cash used in financing activities	(15)	(72)
Net Changes In Cash And Cash Equivalents	(1,159)	1,275
Cash And Cash Equivalents At The Beginning Of The Period	6,163	4,929
Effect of exchange translation differences on cash and cash equivalents	-	(37)
Cash And Cash Equivalents At The End Of The Period	5,004	6,167
Analysis of Cash And Cash Equivalents		
Cash and bank balances	5,267	6,443
	5,267	6,443
Less: Bank borrowings	(263)	(276)
	5,004	6,167

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 FIRST QUARTER ENDED 31 MARCH 2018

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 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.

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 2017.

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 dates for financial periods beginning on or after
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 <i>Financial Instruments</i> with MFRS 4 <i>Insurance Contracts</i>	1 January 2018*
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
Annual Improvements to MFRSs 2014 – 2016 Cycle:		
▪	Amendments to MFRS 1	1 January 2018
▪	Amendments to MFRS 128	1 January 2018
MFRS 16	Leases	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119	Plan Amendments, Curtailment or Settlement	1 January 2019

SCC HOLDINGS BERHAD (Company No: 511477-A)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

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

Amendments to MFRS 128	Long-term interests in Associates or Joint Ventures	1 January 2019
Annual Improvements to MFRSs 2015 – 2017 Cycle:		
▪ Amendments to MFRS 3		1 January 2019
▪ Amendments to MFRS 11		1 January 2019
▪ Amendments to MFRS 112		1 January 2019
▪ Amendments to MFRS 123		1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
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

Note:

* *Entities that meet the specific criteria in MFRS 4, paragraph 20B, may choose to defer the application of MFRS 9 until that earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.*

The above pronouncements are either not relevant or do not have any impact on the financial statements of the Group.

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.

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

There was no dividend paid during the financial period ended 31 March 2018 and preceding year's corresponding period ended 31 March 2017.

SCC HOLDINGS BERHAD (Company No: 511477-A)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

A9. Segmental information

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

	3 months ended		3 months ended	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	RM'000	RM'000	RM'000	RM'000
Profit				
Reportable segment profit	801	914	801	914
<i>Included in the measure of segment profit are:</i>				
Revenue - Animal Health Products	7,470	6,828	7,470	6,828
- Foodservice Equipment	2,278	3,278	2,278	3,278
- Food Supplies	4,209	4,186	4,209	4,186
- Food Manufacturing	118	254	118	254
	14,075	14,546	14,075	14,546
Add: Inter-segment sales	4,564	4,032	4,564	4,032
Total revenue before eliminating inter company	18,639	18,578	18,639	18,578
Depreciation of property, plant and equipment	(150)	(168)	(150)	(168)
Reconciliation of reportable segment profit and				
Profit				
Reportable segment	801	914	801	914
Non-reportable segment	352	510	352	510
Finance income	16	19	16	19
Finance cost	-	(1)	-	(1)
Consolidated profit before tax	1,169	1,442	1,169	1,442
Revenue				
Reported segment	14,075	14,546	14,075	14,546
Non-reportable segment	-	-	-	-
Consolidated revenue	14,075	14,546	14,075	14,546

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.

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 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.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review of performance

The comparison of the current year 1st quarter revenue against previous year 1st quarter revenue is set out below:

	3 months ended 31 March			3 months ended 31 March		
	31/03/2018	31/03/2017	Change	31/03/2018	31/03/2017	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	14,075	14,546	-3%	14,075	14,546	-3%
Cost of sales	(8,796)	(8,991)	-2%	(8,796)	(8,991)	-2%
Gross profit	5,279	5,555	-5%	5,279	5,555	-5%
Profit before interest and tax	1,169	1,443	-19%	1,169	1,443	-19%
Profit before tax	1,169	1,442	-19%	1,169	1,442	-19%
Profit after tax	801	914	-12%	801	914	-12%

Quarter Ended 31 March 2018 compared to Quarter Ended 31 March 2017

The Group's revenue for the current quarter ended 31 March 2018 decreased by 3.3% to RM14.07 million compared to RM14.55 million in the preceding corresponding quarter ended 31 March 2017. The decrease was mainly due to reasons as explained below.

During the current quarter ended 31 March 2018, Animal Health Product Division recorded revenue of RM7.47 million as compared to RM6.83 million in the preceding year quarter ended 31 March 2017. The increase of approximately 9.4% was due to increase order for amino acid from customers.

During the current quarter ended 31 March 2018, Foodservice Equipment Division recorded revenue of RM6.49 million as compared to RM7.46 million in the preceding year quarter ended 31 March 2017. The decrease of approximately 13% was due to lower demand for foodservice equipment during the current quarter.

During the current quarter ended 31 March 2018, Food Manufacturing Division recorded revenue of RM0.12 million as compared to RM0.25 million in the preceding year quarter ended 31 March 2017. The decrease of approximately 52% was due to the decrease in demands from chain restaurants during current quarter under review.

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

	3 months ended		
	31/03/2018	31/12/2017	Change
	RM'000	RM'000	%
Revenue	14,075	17,443	-19%
Operating profit	1,333	3,908	-66%
Profit before interest and tax	1,169	3,708	-68%
Profit before tax	1,169	3,708	-68%
Profit after tax	801	3,078	-74%

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

B2. Material changes in the profit before taxation for the current quarter as compared to the immediate preceding quarter (cont'd)

For current quarter ended 31 March 2018, the Group achieved a profit before tax of approximately RM1.17 million as compared to RM3.71 million in the immediate preceding quarter ended 31 December 2017. The decrease in profit before taxation approximately by 68.5% compared to the immediate preceding quarter was mainly due to the decrease in revenue and provision of staff expenses in Administrative expenses during the current quarter.

B3. Prospects

In view of the volatility of Ringgit Malaysia against foreign currencies, the Group expects its operating environment to be more challenging in both the current and coming financial years. The market will continue to remain competitive.

Despite a challenging environment, the Board is of the opinion that the Group will be able to maintain its market position by implementing prudent measures and improving operational efficiency to safeguard the Group's profitability. By focusing on product and service quality, the Group is optimistic that it will achieve satisfactory results in the coming quarter.

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.

B5. Taxation

	3 months ended		3 months ended	
	31/03/2018 RM'000	31/03/2017 RM'000	31/03/2018 RM'000	31/03/2017 RM'000
Income tax:				
- current year	368	528	368	528
- (Over) / under provision of tax in prior year	-	-	-	-
	368	528	368	528
Deferred tax				
- Relating to origination and reversal of temporary difference	-	-	-	-
- (Over) /under provision of tax in prior year	-	-	-	-
	368	528	368	528

The Group's effective tax rate for the current quarter 31 March 2018 was 31.48% 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.

SCC HOLDINGS BERHAD (Company No: 511477-A)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

B7. Group borrowings and debt securities

The Group's borrowings as 31 March 2018 were as follow:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Short term borrowings:-</u>			
Hire purchase payables	10	-	10
	<u>10</u>	<u>-</u>	<u>10</u>
<u>Long term borrowings:-</u>			
Hire purchase payables	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total borrowings	<u>10</u>	<u>-</u>	<u>10</u>

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

B8. Trade Receivables

	Financial period ended 31/03/2018 RM'000	Immediate preceding financial year ended 31/12/2017 RM'000
Trade receivables		
Third party	12,385	15,705
Less: Impairment losses		
- brought forward	(303)	(391)
- reversal of impairment loss for bad debts recovered	5	126
- written off	-	13
- impaired during the period / year	-	(51)
	<u>(298)</u>	<u>(303)</u>
	<u>12,087</u>	<u>15,402</u>

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.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

B8. Trade Receivables (Cont'd)

Ageing analysis of trade receivables is as follow:

		Financial period ended 31/03/2018 RM'000	Immediate preceding financial year ended 31/12/2017 RM'000
Neither past due nor impaired		7,502	9,614
Up to 90 days past due not impaired		3,960	5,364
More than 90 days past due not impaired		923	727
		4,883	6,091
Impaired	- brought forward	(303)	(391)
	- reversal of impairment loss for bad debts recovered	5	126
	- written off	-	13
	- impaired during the period / year	-	(51)
		(298)	(303)
		12,087	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.

SCC HOLDINGS BERHAD (Company No: 511477-A)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

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.

As at 31.03.2018				
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	70	-	-	70
Other investment	17,655	-	-	17,655
	17,725	-	-	17,725

As at 31.12.2017				
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	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

The Directors declared a single tier tax exempt interim dividend of 1.7 sen per ordinary share amounting to RM2,399,722.38 in respect of the financial year ending 31 December 2018.

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:

	3 months ended 31 March		3 months ended 31 March	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Group's profit after tax attributable to ordinary equity holders of the parent (RM)	801	914	801	914
Weighted average number of ordinary shares	141,160	141,160	141,160	141,160
Earnings per share (sen)	0.57	0.65	0.57	0.65

SCC HOLDINGS BERHAD (Company No: 511477-A)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

B13. Profit for the year

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

	3 months ended 31 March		3 months ended 31 March	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Profit for the period is arrived at after charging/(crediting):				
Interest income	16	19	16	19
Fair value gain on financial assets	131	95	131	95
Gain on disposal of quoted or unquoted investments or properties	-	28	-	28
Foreign exchange gain /(loss)	-	(19)	-	(19)
Gain / (loss) on derivatives	-	-	-	-
Finance costs	-	-	-	-
Depreciation and amortization	(150)	(168)	(150)	(168)
Provision for and write off of receivables	-	(280)	-	(280)
Provision for and write off of inventories	-	-	-	-
Impairment of assets	-	-	-	-
Exceptional items (with details)	-	-	-	-

B14. Authorisation for issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 28 May 2018.

By order of the board
SCC Holdings Berhad

Wong Yuet Chyn (MAICSA 7047163)
Company Secretary
Kuala Lumpur
Date: 28 May 2018