

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2019**

	3 months ended 31 March			3 months ended 31 March		
	2019	2018		2019	2018	
	RM'000	RM'000		RM'000	RM'000	
	Unaudited	Unaudited	%	Unaudited	Unaudited	%
Revenue	13,227	13,856	-5%	13,227	13,856	-5%
Cost of sales	(8,676)	(8,843)		(8,676)	(8,843)	
Gross profit	4,551	5,013	-9%	4,551	5,013	-9%
Other income	233	278		233	278	
Administrative and other operating expenses	(3,148)	(3,097)		(3,148)	(3,097)	
Selling and distribution expenses	(884)	(1,025)		(884)	(1,025)	
Operating profit	752	1,169	-36%	752	1,169	-36%
Finance costs	-	-		-	-	
Profit before taxation	752	1,169	-36%	752	1,169	-36%
Taxation	(357)	(368)		(357)	(368)	
Profit for the period	395	801	-51%	395	801	-51%
Other comprehensive income	4	2		4	2	
Foreign currency translation difference	-	-		-	-	
Total comprehensive income for the period	399	803	-50%	399	803	-50%

Profit after taxation attributable to the equity holders of the Company

395 801 395 801

Total comprehensive income attributable to the equity holders of the Company

399 803 399 803

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

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

Earnings per share (sen):

- Basic 0.28 0.57 0.28 0.57
- Diluted 0.28 0.57 0.28 0.57

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 2018 and the accompanying explanatory notes attached to the interim financial statements.

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	UNAUDITED As at 31/03/2019 RM'000	AUDITED As At 31/12/2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	5,474	5,542
Investment securities	70	66
Goodwill on consolidation	8	8
	5,552	5,616
Current Assets		
Inventories	8,924	7,948
Trade receivables	11,199	15,015
Other receivables, deposits and prepayments	2,245	3,215
Tax recoverable	72	126
Other investment	13,712	13,697
Cash and bank balances	7,094	6,769
	43,246	46,770
TOTAL ASSETS	48,798	52,386
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	24,079	24,079
Reserves	18,755	18,356
Total equity	42,834	42,435
Non current liabilities		
Deferred tax liabilities	92	92
	92	92
Current liabilities		
Trade payables	2,930	5,044
Other payables, deposits and accruals	2,278	3,787
Hire purchase payables	-	-
Bank borrowing	-	127
Tax payables	664	901
	5,872	9,859
Total liabilities	5,964	9,951
TOTAL EQUITY AND LIABILITIES	48,798	52,386
Net assets per share attributable to ordinary equity owners of the Company (sen)	30.34	30.06

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 2018 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 2019**

	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 1.1.2018	24,079	-	72	-	15,979	40,130
Opening balance adjustments from adoption of MFRS 9	-	-	-	-	(43)	(43)
At 1 January 2018 (Restated)	24,079	-	72	-	15,936	40,087
Dividends	-	-	-	-	(4,799)	(4,799)
Total comprehensive income for the financial year	-	-	(2)	-	7,149	7,147
At 31 December 2018 (<i>Audited</i>)	24,079	-	70	-	18,286	42,435
Balance as at 1.1.2019	24,079	-	70	-	18,286	42,435
Total comprehensive income for the financial year	-	-	4	-	395	399
Balance as at 31.03.2019 (<i>Unaudited</i>)	24,079	-	74	-	18,681	42,834

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 2018 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 2019		
	3 months ended 31/03/2019 RM'000	12 months ended 31/12/2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	752	9,551
Adjustments for		
- Bad debts written off	-	7
- Depreciation	172	587
- Gain/loss on disposal of property, plant and equipment	-	(14)
- Impairment loss on trade receivables	-	103
- Fixed asset written off	-	5
- Reversal of impairment loss on trade receivables	-	(98)
- Reversal of inventory written down	-	-
- Dividend received	-	-
- Unrealised loss/(gain) on foreign exchange	-	(5)
- Fair value gain on financial assets	(115)	(602)
- Interest income	(24)	(74)
- Finance cost	0	-
Operating profit before working capital changes	785	9,460
Changes in working capital		
Inventories	(975)	(1,107)
Receivables	1,644	(2,309)
Payables	1,954	1,194
Net cash generated from operations	3,408	7,238
Interest received	24	74
Interest expenses	(0)	-
Taxation refund	66	130
Taxation paid	(607)	(2,335)
Net cash flows from operating activities	2,891	5,107
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (purchase) / withdrawal of other investments	101	1,229
Sales proceeds on disposal of property, plant and equipment	-	15
Expenses incurred in bonus issued and share split	-	-
Dividend received	-	-
Dividend paid	(2,400)	(4,657)
Purchase of property, plant and equipment	(104)	(1,239)
Net cash flows from investing activities	(2,403)	(4,652)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issuance expenses	-	-
Repayment of hire purchase liabilities	-	(25)
Net cash used in financing activities	-	(25)
Net Changes In Cash And Cash Equivalents	488	430
Cash And Cash Equivalents At The Begining Of The Period	6,606	6,167
Effect of exchange translation differences on cash and cash equivalents	-	45
Cash And Cash Equivalents At The End Of The Period	7,094	6,642
Analysis of Cash And Cash Equivalents		
Cash and bank balances	7,094	6,769
	7,094	6,769
Less: Bank borrowings	-	(127)
	7,094	6,642

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 2018 and the accompanying explanatory notes attached to the interim financial statements.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019

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 2018 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 2019. 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 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 2018 except for the adoption of the pronouncements that become effective from 1 January 2019.

MFRSs and amendments effective for annual period beginning on or after 1 January 2019:

MFRS 16: Leases

IC Interpretation 23, Uncertainty over Income Tax Treatments

Amendments to MFRS 9: Prepayment Features with Negative Compensation

Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement

Amendments to MFRS 128: Long-term interests in Associates and Joint Ventures

Annual Improvements to MFRSs 2015 – 2017 Cycle:

- Amendments to MFRS 3
- Amendments to MFRS 11
- Amendments to MFRS 112
- Amendments to MFRS 123

Amendments to References to the Conceptual Framework in MFRS Standards

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

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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

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
Amendments MFRS 3	Definition of a Business	1 January 2020
Amendments MFRS 101	Definition of Material	1 January 2020
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

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.

A3. Auditors' report

There was no qualification on the audited financial statements of the Group for the FYE 31 December 2018.

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 2018 was paid on 22 January 2019.
- (b) A single tier tax exempt interim dividend of 1.6 sen per ordinary share amounting to RM 2,258,562.19 in respect of the financial year ending 31 December 2017 was paid on 15 January 2018.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

A9. Segmental information

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

	3 months ended		3 months ended	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	RM'000	RM'000	RM'000	RM'000
Profit				
Reportable segment profit	395	801	395	801
<i>Included in the measure of segment profit are:</i>				
Revenue - Animal Health Products	6,792	7,677	6,792	7,677
- Foodservice Equipment	3,105	2,255	3,105	2,255
- Food Supplies	3,307	3,806	3,307	3,806
- Food Manufacturing	23	118	23	118
	13,227	13,856	13,227	13,856
Add: Inter-segment sales	1,767	4,564	1,767	4,564
Total revenue before eliminating inter company transaction	14,994	18,420	14,994	18,420
Depreciation of property, plant and equipment	(172)	(150)	(172)	(150)
Reconciliation of reportable segment profit and revenue				
Profit				
Reportable segment revenue	13,227	13,856	13,227	13,856
Unallocated expenses	(12,499)	(12,703)	(12,499)	(12,703)
Finance cost	-	-	-	-
Finance income	24	16	24	16
Taxation	(357)	(368)	(357)	(368)
Consolidated profit after tax	395	801	395	801
Revenue				
Reported segment	13,227	13,856	13,227	13,856
Non-reportable segment	-	-	-	-
Consolidated revenue	13,227	13,856	13,227	13,856

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 FIRST QUARTER ENDED 31 MARCH 2019

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

The company had incorporated a subsidiary namely S-Cnergy Co., Ltd. in the Kingdom of Cambodia whose principal activity is to carry out the business of import and export of kitchen supplies.

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 2018, there were no other significant related party transactions for the current quarter under review.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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		
	31/03/2019	31/03/2018	Change	31/03/2019	31/03/2018	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	13,227	13,856	-5%	13,227	13,856	-5%
Cost of sales	(8,676)	(8,843)	-2%	(8,676)	(8,843)	-2%
Gross profit	4,551	5,013	-9%	4,551	5,013	-9%
Profit before interest and tax	752	1,169	-36%	752	1,169	-36%
Profit before tax	752	1,169	-36%	752	1,169	-36%
Profit after tax	395	801	-51%	395	801	-51%

Quarter Ended 31 March 2019 compared to Quarter Ended 31 March 2018

The Group's revenue for the current quarter ended 31 March 2019 decreased by 5% to RM13.23 million compared to RM13.86 million in the preceding corresponding quarter ended 31 March 2018. The decrease was mainly due to reasons as explained below.

During the current quarter ended 31 March 2019, Animal Health Product Division recorded revenue of RM6.79 million as compared to RM7.68 million in the preceding corresponding quarter ended 31 March 2018. The decrease of approximately 12% was due to decrease in demand by customers caused by the long festive holidays.

During the current quarter ended 31 March 2019, Foodservice Equipment Division recorded revenue of RM6.41 million as compared to RM6.06 million in the preceding year quarter ended 31 March 2018. The increase of approximately 6% was due to higher demand for equipment by fast food chains during the current quarter.

During the current quarter ended 31 March 2019, Food Manufacturing Division recorded revenue of RM0.02 million as compared to RM0.1 million in the preceding year quarter ended 31 March 2018. The decrease of approximately 80% was due to the decrease in demands from chain restaurants during current quarter under review.

The profit before tax for the current quarter ended 31 March 2019 decreased by 36% as compared to the preceding corresponding quarter ended 31 March 2018, mainly due to decrease in revenue, other income and an increase in Administrative Expenses.

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

	3 months ended		
	31/03/2019	31/12/2018	Change
	RM'000	RM'000	%
Revenue	13,227	16,807	-21%
Operating profit	752	3,544	-79%
Profit before interest and tax	752	3,544	-79%
Profit before tax	752	3,544	-79%
Profit after tax	395	2,635	-85%

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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 2019, the Group achieved a profit before tax of approximately RM0.75 million as compared to RM3.54 million in the immediate preceding quarter ended 31 December 2018. The decrease in profit before taxation approximately by 79% compared to the immediate preceding quarter was mainly due to decrease in revenue and provisions for staff expenses in Administrative expenses during the current quarter.

B3. Prospects

Market sentiment remains optimistic amid resumption of certain mega infrastructure and construction projects, notably the East Coast Rail Link and the Bandar Malaysia development.

This will increase corporate activities and boost business confidence which hopefully will help improve domestic economy in the second half of the year.

However, with the ringgit's continued downward trend against the USD in recent weeks, the profitability of the Group is expected to be affected in the coming quarter as most of its supplies are transacted in USD.

The Group expects sales to pick up by the middle of the second quarter due to the likelihood of key customers replenishing inventories to meet festive demands and expanding capacity.

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

Income tax:

- current year
- (Over) / under provision of tax in prior year

Deferred tax

- Relating to origination and reversal of temporary difference
- (Over) /under provision of tax in prior year

3 months ended		3 months ended	
31/03/2019 RM'000	31/03/2018 RM'000	31/03/2019 RM'000	31/03/2018 RM'000
357	368	357	368
-	-	-	-
357	368	357	368
-	-	-	-
-	-	-	-
357	368	357	368

The Group's effective tax rate for the current quarter ended 31 March 2019 was 47% which was higher than the statutory rate due to certain non tax-deductible expenses and losses incurred by some subsidiaries during the current quarter.

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 March 2019.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

B8. Trade Receivables

		Financial period ended 31/03/2019 RM'000	Immediate preceding financial year ended 31/12/2018 RM'000
Trade receivables			
Third party		11,550	15,366
Less: Impairment losses			
	- brought forward	(351)	(303)
	- Opening balance adjustment from adoption of MFRS 9	-	(43)
	- reversal of impairment loss for bad debts recovered	-	98
	- impaired during the period / year	-	(103)
		(351)	(351)
		11,199	15,015

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 31/03/2019 RM'000	Immediate preceding financial year ended 31/12/2018 RM'000
Neither past due nor impaired		7,013	6,150
Up to 90 days past due not impaired		3,430	7,360
More than 90 days past due not impaired		1,107	1,856
		4,537	9,216
Impaired			
	- brought forward	(351)	(303)
	- Opening balance adjustment from adoption of MFRS 9	-	(43)
	- reversal of impairment loss for bad debts recovered	-	98
	- impaired during the period / year	-	(103)
		(351)	(351)
		11,199	15,015

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

B8. Trade Receivables (Cont'd)

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.

As at 31.03.2019				
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	70	-	-	70
Other investment	13,712	-	-	13,712
	13,782	-	-	13,782

As at 31.12.2018				
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	66	-	-	66
Other investment	13,697	-	-	13,697
	13,763	-	-	13,763

B10. Material litigation

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

B11. Dividend

- The directors declared a single tier interim dividend of 1.7 sen per ordinary share amounting RM2,399,722.35 in respect of the financial year ending 31 December 2019.
- The entitlement date is 11 July 2019 and the date of payment for the single tier tax exempt interim dividend in respect of the financial year ending 31 December 2019 is 19 July 2019.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Group's profit after tax attributable to ordinary equity holders of the parent (RM)	395	801	395	801
Weighted average number of ordinary shares	141,160	141,160	141,160	141,160
Earnings per share (sen)	0.28	0.57	0.28	0.57

B13. Profit for the year

Profit for the current quarter ended 31 March 2019 was arrived at after crediting / (charging) the following:

	3 months ended 31 March		3 months ended 31 March	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Profit for the period is arrived at after charging/(crediting):				
Interest income	24	16	24	16
Fair value gain on financial assets	115	131	115	131
Depreciation and amortization	(172)	(150)	(172)	(150)

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 2019.

By order of the Board
SCC Holdings Berhad

Wong Yuet Chyn (MAICSA 7047163)
Company Secretary
Kuala Lumpur
Date: 28 May 2019