



SCC HOLDINGS BERHAD
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The background of the cover features a large, stylized tree on the left side, composed of white and light green layers. The right side of the background consists of wavy, layered shapes in various shades of green and yellow, suggesting a landscape or a globe. A faint world map is visible behind the text.

**Green Solutions
for the FUTURE of the
WORLD & MANKIND**

Annual Report 2014

OUR CORE VALUES

1 PEOPLE

We believe in our workforce. "SCC People" have a strong work ethic, are passionate with dedication to every success, and are a bond of love and care. We are committed to expand the potential of "SCC People" through the support of continuous education & training.

2 INNOVATION

We continuously develop and try out new ideas and concepts in anticipation of our customers present and future needs.

3 INTEGRITY

We hold strongly that our business reputation is built on the honesty in all our dealings with our business partners.

4 TEAMWORK

Our company success is highly dependent on our dynamic team with mutual understanding, respect and full participation to attain a consensus for all tasks undertaken.

5 TOTAL CUSTOMER SATISFACTION

We strive to delight our customers by providing valued quality products & services to sustain a long term business partnership.

6 WORK ENVIRONMENT

We are dedicated to upkeep a safe, clean & healthy environment in order to create a harmonious workplace which is conducive to total job efficiency.

OUR VISION

Together we build green and wellness enterprises.

OUR MISSION

We strive to lead more people toward green and healthy living.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Chee Long Sing @ Cher Hwee Seng
Executive Chairman

Cher Sew Seng
Managing Director

Goh Ah Heng @ Goh Keng Chin
Executive Director

Cher Lip Chun
Executive Director

Chu Soo Meng
Executive Director

Dato' Ismail bin Hamzah
Independent Non-Executive Director

Dato' Dr. Choong Tuck Yew
Independent Non-Executive Director

Dr. Goy Hong Boon
Independent Non-Executive Director

AUDIT COMMITTEE

Dato' Dr. Choong Tuck Yew
(Chairman)

Dato' Ismail bin Hamzah
Dr. Goy Hong Boon

NOMINATION COMMITTEE

Dato' Ismail bin Hamzah
(Chairman)

Dato' Dr. Choong Tuck Yew
Dr. Goy Hong Boon

REMUNERATION COMMITTEE

Dato' Dr. Choong Tuck Yew
(Chairman)

Dato' Ismail bin Hamzah
Chee Long Sing @ Cher Hwee Seng

COMPANY SECRETARY

Wong Keo Rou
(MAICSA 7021435)

SHARE REGISTRAR

ShareWorks Sdn Bhd (229948-U)

No. 2-1 Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)
T : (603) 6201 1120
F : (603) 6201 3121

REGISTERED OFFICE

No. 2-1 Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)
T : (603) 6201 1120
F : (603) 6201 3121

AUDITORS

Baker Tilly Monteiro Heng (AF0117)

Baker Tilly MH Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Wilayah Persekutuan (KL)

STOCK EXCHANGE LISTING

ACE Market

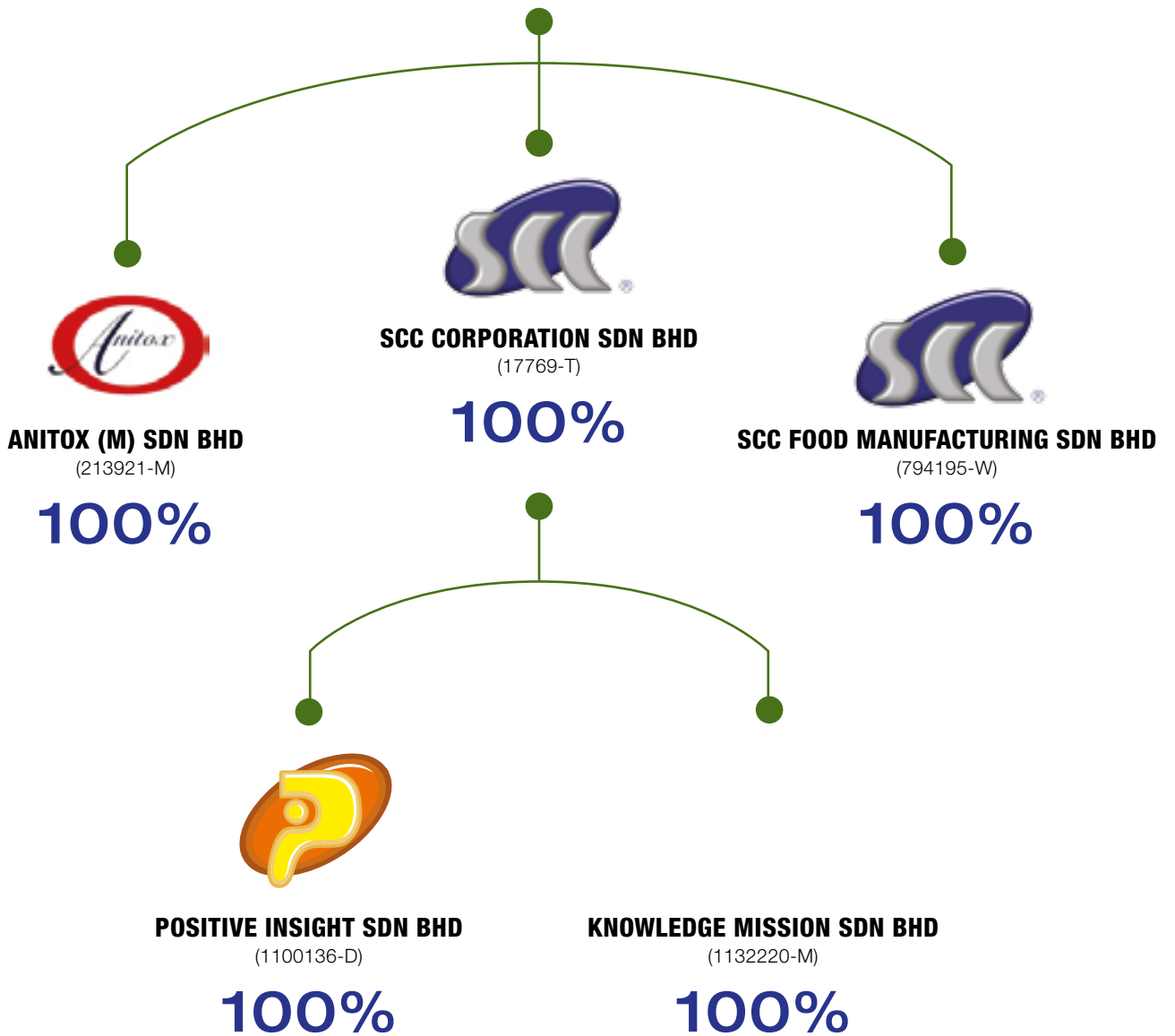
Bursa Malaysia Securities Berhad
Listed on 3 August 2010

CORPORATE STRUCTURE



SCC HOLDINGS BERHAD

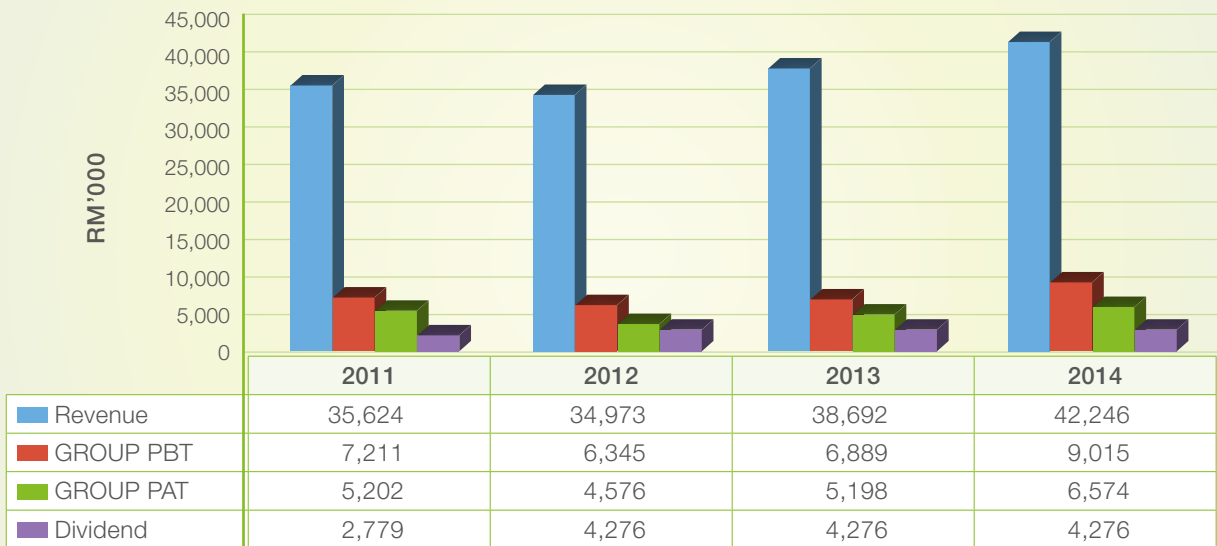
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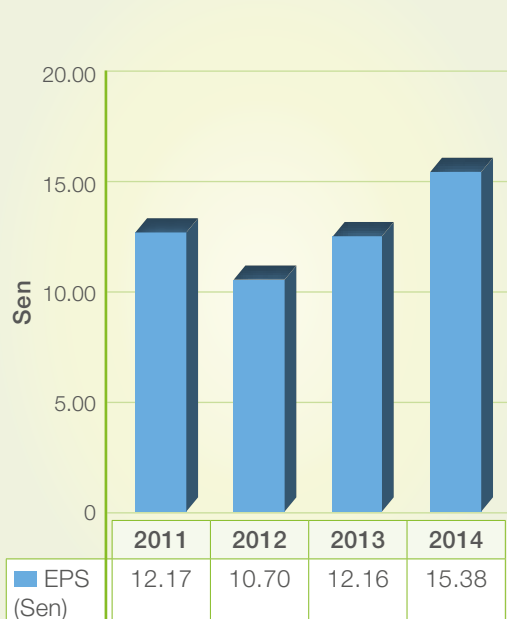
FINANCIAL HIGHLIGHTS

		2014	2013	2012	2011
Revenue	RM '000	42,246	38,692	34,973	35,624
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	RM '000	9,228	6,936	6,156	7,253
Profit For The Year Attributable to Equity Holders	RM '000	6,574	5,198	4,576	5,202
Profit For The Year Margin	%	15.56	13.43	13.08	14.60
Shareholders' Equity	RM '000	33,780	31,471	30,555	33,037
Return On Shareholders' Equity	%	19.46	16.52	14.98	15.75
Basic Earnings Per Share	SEN	15.38	12.16	10.70	12.17
Interim and Special Dividend Per Share	SEN	10.00	10.00	10.00	6.50

Earning Trend



EPS (Sen) Trend



Dividend Trend



DIRECTORS' PROFILE

**Chee Long Sing @
Cher Hwee Seng
(Ben Cher)**

Malaysian, aged 71, Executive Chairman

Mr Ben Cher was appointed to our Board on 17 April 2000 and was appointed as Executive Chairman and member of the Remuneration Committee on 1 April 2010. He is a co-founder of the Group. He is responsible for our Group's business development activities. He co-founded a partnership, Cheong Cheng Trading Co. in 1972, which was engaged in the provision of animal health products. In 1974, a private limited company, Syarikat Chang Cheng (M) Sdn Bhd, was formed to take over the business, which subsequently changed its name to SCC Corporation Sdn Bhd. He was appointed as the Managing Director in 1974 before being appointed to Executive Chairman in 1988. Mr Cher has more than 42 years of experience in the animal health products and more than 37 years of experience in the foodservice equipment industries. Mr Ben Cher is the elder brother of Mr Francis Cher, uncle of Mr Chu Soo Meng and father of Mr Adam Cher.

**Cher Sew Seng
(Francis Cher)**

Malaysian, aged 65, Managing Director

Mr Francis Cher was appointed to our Board on 17 April 2000 and was appointed as Managing Director on 1 April 2010. Mr Francis Cher is a co-founder of the Group. He is responsible for the overall business strategies and management. He joined Cheong Cheng Trading Co. as a Sales Executive in 1972. Later in 1974, a private limited company, Syarikat Chang Cheng (M) Sdn Bhd, was formed to take over the business, which subsequently changed its name to SCC Corporation Sdn Bhd. He was appointed as a Director in 1976 before being appointed as Managing Director in 1988. Mr Francis Cher has more than 37 years of experience in the animal health products and foodservice equipment industries. He is the younger brother of Mr Ben Cher, uncle of Mr Chu Soo Meng and Mr Adam Cher.

**Goh Ah Heng @
Goh Keng Chin**

Malaysian, aged 69, Executive Director

Mr Goh was appointed to our Board on 1 April 2010 and is our Executive Director. Mr Goh is a co-founder of the Group. He is responsible for the sales, marketing and overall management of our Animal Health Products Division ("AHPD"). He co-founded Cheong Cheng Trading Co. in 1972. In 1974, a private limited company, Syarikat Chang Cheng (M) Sdn Bhd, was formed to take over the business, which subsequently changed its name to SCC Corporation Sdn Bhd. Mr Goh was appointed as a Director in 1976 before being appointed to Sales Director in 1982. Mr Goh has more than 37 years of experience in the animal health products and foodservice equipment industries.

Chu Soo Meng

Malaysian, aged 50, Executive Director

Mr Chu was appointed to our Board on 2 July 2012 and is our Executive Director. Mr Chu is responsible for the sales and marketing of FSED products as well as the operations of FSED. He obtained his Sijil Pelajaran Malaysia from Sekolah Menengah Datuk Bentara Luar, Batu Pahat, Johor in 1983. He started his career with SCC Corporation Sdn Bhd as a Service Representative in FSED in 1984. He later served as a Sales Executive before being promoted to Regional Sales Executive in 1995. In 1998, he was promoted to Sales Manager and has been our FSED Division Manager from 2007 to 2012. Mr Chu has more than 30 years of experience in foodservices equipment industry. He is the nephew of Mr Ben Cher and Mr Francis Cher, and cousin with Mr Adam Cher.

DIRECTORS' PROFILE (CONT'D)

Cher Lip Chun (Adam Cher)

Malaysian, aged 39, Executive Director

Mr Adam Cher was appointed to our Board on 2 July 2012 and is our Executive Director. He is responsible for the overall sales & administration of SCC Food Manufacturing Sdn Bhd and business development activities of the Group. He obtained his Bachelor of Business (Marketing/International Business Management) from Charles Sturt University, Australia in 2002. In 2005, he joined SCC Corporation Sdn Bhd as Assistant Marketing Manager in the Foodservice Equipment Division ("FSED"), where he was responsible for the management of FSED's key customers. In 2008, he was promoted to Personal Assistant to the Executive Chairman and Business Development Manager of the Group, for both AHPD and FSED. In 2010, Mr Adam Cher was appointed as Alternate Director to Chee Long Sing @ Cher Hwee Seng. Mr Adam has more than 10 years of experience in the animal health products and foodservice equipment industries. He is the son of Mr Ben Cher, nephew of Mr Francis Cher and cousin with Mr Chu Soo Meng.

Dato' Ismail Bin Hamzah

Malaysian, aged 69, Independent Non-Executive Director

Dato' Ismail was appointed to our Board on 1 April 2010 and is our Independent Non-Executive Director. He is the Chairman of our Nomination Committee and a member of our Audit Committee and Remuneration Committee. Dato' Ismail obtained his Bachelor of Economics (Hons) in Analytical Economics from the University of Malaya in 1970. Upon graduation, he joined the Administrative and Diplomatic Service and served in the Ministry of Finance as an Assistant Secretary. He has over 33 years of experience in economics and finance which he acquired from his previous key positions held in several Malaysian governmental agencies. Dato' Ismail is also the Independent Non-Executive Director of Goh Ban Huat Berhad, Marco Holdings Berhad and GUH Holdings Berhad as well as the Independent Non-Executive Chairman of Engtex Group Berhad.

Dato' Dr. Choong Tuck Yew

Malaysian, aged 76, Independent Non-Executive Director

Dato' Dr. Choong Tuck Yew was appointed to our Board on 1 April 2010 and is our Independent Non-Executive Director. He is the Chairman of our Audit and Remuneration Committee and a member of our Nomination Committee. Dato' Dr. Choong who possesses a Master of Business Administration and a Doctor of Commercial Science from Oklahoma City University, USA, is a Chartered Accountant (Malaysian Institute of Accountants) as well as a member of the Malaysian Institute of Certified Public Accountants. He is also a Fellow of CPA Australia, the Malaysian Institute of Chartered Secretaries and Administrators, Chartered Tax Institute of Malaysia, and a Chartered Fellow, as well as a Chartered Audit Committee Director of the Institute of Internal Auditors Malaysia.

In the early years of his career, Dato' Dr. Choong worked as an Accountant in several private companies prior to his joining Bank Negara Malaysia (The Central Bank of Malaysia) in 1968. In 1987, he was promoted as the Chief Manager in charge of supervising all the branches of Bank Negara Malaysia. In 1990, he was seconded by Bank Negara Malaysia as the Managing Director of Visia Finance Berhad, a licensed finance company. Currently, Dato' Dr Choong is also the Deputy Chairman of C&C Investigation Services Sdn. Bhd., a licensed private investigation agency approved by the Malaysian Ministry of Home Affairs.

In addition, he is also the Senior Independent Non-Executive Director of Poh Kong Holdings Berhad and an Independent Non-Executive Director of UOB Asset Management (Malaysia) Berhad. He has been a guest speaker at various conferences in Malaysia as well as abroad.

DIRECTORS' PROFILE (CONT'D)

Dr. Goy Hong Boon

*Malaysian, aged 43, Independent
Non-Executive Director*

Dr. Goy was appointed to our Board on 1 April 2010 and is our Independent Non-Executive Director and member of Audit Committee and Nomination Committee. He has vast of experience in the field of equity capital market and information technology sectors. He begins his career as corporate finance with a leading International Investment Bank in 1995, where last held position as Head of Corporate Finance unit. He then moved on to a leading local securities firm as Vice President for Business Development and Corporate Advisory. Thereafter, he ventured into ICT businesses prior to pursue his profession as consultant and advisor for Mergers & Acquisitions, corporate restructurings and project financing. He graduated with Bachelor of Business Administration from American Intercontinental University of London (now known as Regent's University London) in 1992. He also holds an MBA (Finance) from Oklahoma City University in 1994. He possesses a Doctorate in Business Administration from Northwest University. He was awarded a Master of Financial Professional (MFP) certification from American Academy of Financial Management. He is member of Chartered Audit Committee Director from Institute of The Institute of Internal Auditors Malaysia.

Other Information

a. Conflict of Interest

None of the Directors has any conflict of interest with SCC Holdings Berhad.

b. Conviction of Offences

None of the Directors has been convicted for any offences within the past 10 years other than traffic offences, if any.



Food Premixes from SCC Food Manufacturing

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of SCC HOLDINGS BERHAD ("SCC") for the financial year ended 31 December 2014.

FINANCIAL HIGHLIGHT

For financial year ended 31 December 2014, the Group's sales revenue recorded an increase of 9.20% to RM42.25 million as compared to the RM38.69 million for the financial year ended 31 December 2013.

In tandem with the higher revenue recorded for the financial year ended 31 December 2014, SCC Group posted a profit before tax and profit after taxation of RM9.02 million and RM6.57 million respectively, an increase of 31.49% and 26.35% as compared to RM6.86 million and RM 5.20 million achieved during the financial year 31 December 2013 respectively.

DIVIDEND

During the financial year, SCC had declared and paid an interim single tier exempted dividend of 5 cents per share and a special single tier tax exempted dividend of 5 cents per share amounted to RM4,275,700.00 collectively.

No final dividend has been proposed by the Board for the financial year 31 December 2014.

Moving »»

The Group will continue its effort in promotion of the green feed solutions, working towards the Company's vision of healthy meat supplies in the whole nation, for the benefit of consumers at large as well as our future generations.



CHAIRMAN'S STATEMENT (CONT'D)

REVIEW OF OPERATIONS

Animal Health Product Division ("AHPD")

The sales performance of AHPD recorded a minor reduction for financial year ended 31 December 2014, by 1.75% or RM 0.28 million, to RM15.71 million for FYE 2014, as compared to preceding year of RM15.99 million. This minor reduction in revenue was mainly due to lower in demand from the customers, subsequent to the depreciation of RM vs USD, of which farmers were under pressure for cheaper alternative products or cut down in usage of feed additives.

Nevertheless, AHPD had demonstrated its resilience and has maintained its earning despite a challenging year for the industry during the period under review.

SCC believe, clean feed solution will always be the preferred choice of feed solutions to our feed millers and farmers, coupled with the growing awareness of the benefits of non-antibiotic farmed livestock and products by the end consumers, we believe the industry will slowly gaining back its glory in coming years.

Foodservice Equipment Division ("FSED")

For financial year ended 31 December 2014, FSED registered a higher revenue of RM26.54 million, representing 16.82% increase in comparison to RM22.71 million registered for the preceding year. The increase was contributed by higher demand on FSED's products, especially food supplies, due to the growing number of new foodservice outlets, new shopping malls and cinemas during the year.

We are proud to announce that FSED has hit a record breaking year with their highest ever revenue achieved since its inception, for both equipment and food supplies. Our sales in premises grown by 317% to RM4.33million as compared to FYE 2013 of only RM1.04 million. We are grateful that our business partners responded very well to our premises, we are very optimistic with our products and look forward for an even better performance from this sector in the near future.

Food Manufacturing ("SCCFM")

Together with the joint effort from my fellow colleagues, our food manufacturing plant commenced its new production line in June 2014. Working hand-in-hand with our business partners, we contributed in developing some of well received Halal certified premises and recipes, promoted through FSED into domestic market.

With our first success venture into domestic market, we are confident to deliver a better outlook for SCCFM, leveraging on our products' development and more so, our strong marketing network that FSED possess.

OUTLOOK AND PROSPECT

Year 2014, a year with turbulence for Malaysia as certain unexpected incidents occurs to the aviation industry, free fall of crude oil prices, worst ever flood in East Coast and depreciation of Ringgit Malaysia.

Nevertheless, we are pleased to deliver satisfactory results despite all the challenges mentioned above.

We foresee further market uncertainties in year 2015, with expected inflation impact as a result from the implementation of GST by April 2015 and rising of importation cost due to further depreciation of Ringgit Malaysia. All these factors might have an impact toward SCC businesses and performance either directly or indirectly for FYE 2015. SCC would continue to run our business with caution and prudent, delivering our steady performance will be prioritized while expanding our market size with care, local and oversea.

Our subsidiary, SCC Food Manufacturing Sdn Bhd (SCCFM) will be participating in various trade exhibitions in Asia and Middle East, to promote our premises and explore opportunities in penetrate into the world's Halal food market. SCCFM aims to further enhance our products' quality, varieties and will work closely with our business partners toward our objectives.

Food and beverage industry will always be the first choice to be ventured into by small players during difficult times as it is a cash generating business. Hence, this would present an opportunity for SCC FSED to gain greater market share, with a carefully formulated strategy, to attract players to do business with us while strengthen our position with existing business partners. It is forecasted that Malaysia's foodservice industry will grow by 6.5% y-o-y. (Source: Inside Investor, Aug 2013).

CHAIRMAN'S STATEMENT (CONT'D)

Albeit facing intense competition, severe market condition and stringent statutory compliances by Animal Health Products Division (AHPD), consumption of livestock and eggs will still be expected to be in demand for our local markets. Maintaining our market share will be utmost important and our products which are non-antibiotic in nature, will have added advantages in view of the rising awareness of the benefits of non-antibiotic farmed poultry and eggs by the end consumers. The agriculture sector is expected to gain a 3.1% growth in 2015 as reported in The Malaysian Economic Report 2014/2015.

DYNAMIC WORKFORCE

SCC places great importance on hiring the right candidate for the right job. As we go forward, we will continue to focus on attracting quality talent who best fit our job requirements and complement our work culture. We firmly believe that by aligning our recruitment strategy to SCC's needs, we will continue to attract the best talent to further enhance SCC's value and achievements.

At SCC, our male to female employee ratio shows a healthy distribution of 55:45. Our total staff strength in 2014 stands at 86. From that strength, 75% of them are below the age of 40 that would have the energy to assist SCC in achieving higher growth in coming years.

CORPORATE SOCIAL RESPONSIBILITY ('CSR')

SCC Holdings has continuously committed in upholding an approach to give back to the community and environment through various CSR programs. By this, a CSR committee is formed which involves personnel from all different departments working to one direction, to achieve our CSR objective. All employees have given so much support and participation to help the CSR Committee in achieving this ultimate objective. SCC focuses to bring better and more improvement through our CSR activities in the future.

Home Visitation to Charity Organisation (IQ70Plus)

The objective of this program is to take initiative to approach the less advantage group through our caring programs. Our employees visited the home of IQ70Plus, a place for mentally challenge children (IQ below 70) to understand and to care more for them.



Charity Bazaar & Food Fair

SCC participated in the "Rumah Kanak-Kanak Angel Fund Raising Charity Event". We sponsored our company's products such as Popcorn and Cotton Candy, Ice Blended Coffee and Fruit Smoothie in the food fair. Collections gathered from the said event were all channeled to the orphanage home.



Environmental Care Activities

The CSR committee conducted a talk to promote environmental awareness among our colleagues. We took this opportunity to incorporate “green” habits in our workplace. Besides, we have also initiated an on-going paper recycling activity. These papers will be collected by Shuang Fu, an association of disabled people and former drug addicts who in turn uses them to make handicraft for a living.



Get Together Events

SCC values the culture, to bond and to get together among all our employees. We organized Hari Raya celebration cum family day event, a chance for all employees to celebrate the festive season and joy together with their family members.



Product Sponsorship Program

In 2014, we participated in our customers’ CSR program by sponsoring Popcorn for their events. We have sponsored our Popcorn for the Old Town White Coffee’s Raya Open House.

Donating goods to aid flood victims

SCC’s employees joined the donation drive, by offered our helping hand to the flood victims, where 7 out of 14 states in our country were badly hit by the flood due to continuous raining, during December of 2014.

Appreciation

It has been an exceptional financial period for us and it would not have been possible without the guidance of the Board and the support of Management and staff. I would like to extend our sincere thanks to the management and staff for their continuous dedication and commitment in contributing towards the success of SCC.

My sincere appreciation also goes to our customers, suppliers, business associates, shareholders and the government authorities for their support and confidence in SCC.

Last but not least, my heartfelt appreciation and gratitude to my fellow Board members for providing valuable advice and guidance at our Board meetings.

Ben Cher

Executive Chairman
SCC Holdings Berhad

CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("Board") of SCC Holdings Bhd ("SCC") is committed to ensure that the highest standards of corporate governance are practiced throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholder's value and the financial performance of the Group.

The Board is fully committed in ensuring that the Group adopts, so far as it is practicable, the principles and recommendations set out in the Malaysia Code of Corporate Governance 2012 ("MCCG 2012"). The Board supports the 8 principles and 26 recommendations as stated in the MCCG 2012.

The Board is pleased to report below on the extent to which the principles and best practices of the MCCG 2012 were applied throughout the financial year ended 31 December 2014.

PRINCIPLE 1 - ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

1.1 Clear Functions of the Board and Management

The Group is led by an experienced Board, comprising one (1) Executive Chairman, one (1) Managing Director, three (3) Executive Directors and three (3) Independent Non-Executive Directors.

The Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for management and monitoring the achievement of these goals. The Board is responsible for the overall management of the Group.

The roles of the Executive Chairman, the Managing Director, the Executive Directors and the Independent Non-Executive Directors are separated and each has a clearly accepted division of responsibilities to ensure a balance of power and authority.

Management is primarily responsible to implement strategic direction set by the Board and to monitor the operations of the Group.

1.2 Board Duties and Responsibilities

The Board's roles and responsibilities are as the following:

- a. Oversee and set the strategic direction of the Group and to ensure the company operates efficiently and sustains continuous growth.
- b. Overseeing the conduct of the Group's business to ensure business is properly managed in conformity with ethical values, integrity, fairness, trust and high performance.
- c. Identify the business risks and establish an appropriate system to reduce and minimize the risks that affects the performance of the Group and the interest of the stakeholders.
- d. Ensuring the appropriate succession plan is in place including the appointment, training and fixing compensation of and where appropriate for the Board, Managing Director and the Management of the Group.
- e. Developing and implementing an investor relations programme that creates better communication between the Group and shareholders as well as other stakeholders.
- f. Reviewing the adequacy and the integrity of the Company's internal control system and information system, including system for compliance with applicable laws, regulations, rules, directives and guidelines

CORPORATE GOVERNANCE STATEMENT (CONT'D)

PRINCIPLE 1 - ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

1.3 Formalised ethical standards through Code of Ethics

The Group has in place codes of ethics for Directors and employees based on four elements which are sincerity, integrity, responsibility and corporate responsibility. In the performance of the directors' duties, the Board should at all times observe the following codes:

- a. Should have a clear understanding of the aims and purpose, capabilities and capacity of the Company;
- b. Should devote time and effort to attend meetings and to know what is required of the board and each of its directors, and to discharge those functions;
- c. Should ensure at all times that the Company is properly managed and effectively controlled;
- d. Should stay abreast of the affairs of the Company and be kept informed of the Company's compliance with the relevant legislation and contractual requirements;
- e. Should insist on being kept informed on all matters of importance to the Company in order to be effective in corporate management;
- f. Should have access to the advice and services of the company secretary, who is responsible to the Board to ensure proper procedures, rules and regulations are complied with;
- g. Should at all times exercise his powers for the purposes they were conferred, for the benefit and prosperity of the Company;
- h. Should disclose immediately all contractual interests whether directly or indirectly with the Company;
- i. Should neither divert to his own advantage any business opportunity that the Company is pursuing, nor may he use confidential information obtained by reason of his office for his own advantage or that of others;
- j. Should at all times act with utmost good faith towards the Company in any transaction and to act honestly and responsibly in the exercise of his powers in discharging his duties; and
- k. Should be conscious of the interest of shareholders, employees, creditors and customers of the Company;
- l. Should at all times promote professionalism and improve the competency of management and employees.
- m. Should ensure adequate safety measures and provide proper protection to workers and employees at the workplace.
- n. Should ensure the effective use of natural resources, and improve quality of life by promoting corporate social responsibilities.

1.4 Strategies Promoting Sustainability

The Board recognised the importance of Sustainability and its increasing impact to the business. The Board exercises annual reviews on the sustainability of the Company's strategic directions, with due consideration over the progress of the long term and short term plan, changes in business and political environment, level of competition, update in risk factors and any other factors which could affect the sustainability of the Group.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

PRINCIPLE 1 - ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

1.5 Access to Information and Advice

All Directors have unrestricted access to the Company's records and information, and receive quarterly detailed financial and operational reports from the Management.

The Chairman and other Non-Executive Directors, especially members of Audit Committee, regularly communicates with the Managing Director and senior management, requesting for additional information and clarification as deem necessary.

Agenda and discussion papers are circulate prior to the Board and Board Committee meetings to allow the Directors and Committee Members to study, evaluate the matters to be discussed and subsequently make effective decisions. Procedures have been established concerning the content, presentation and timely delivery of papers for each meeting of the Board and Board Committee meetings as well as matters arising from such meetings. Actions or updates on all matters arising from any meetings are reported in the subsequent meeting.

In addition, should the Board required specific expertise that is not available and/or insufficient among the board members, the Board has the right to seek assistance from any external expertise and independent professional for advice, at the Company's expenses, in order for the Board to carry out its duties and responsibilities professionally.

1.6 Qualified and Competent Company Secretary

The Company Secretary is responsible for advising the Board on issues relating to compliance in laws, rules, procedures and regulations affecting the Group as well as the principles of best corporate governance practices.

The Company Secretary is also responsible for advising the directors of their obligations and adherence to matters pertaining to disclosure of interest in securities, disclosure of any conflict of interest in a transaction involving the Company, prohibitions on dealing in securities and restrictions on disclosure of price-sensitive information.

The duties of the Company Secretary amongst others, attending all Board and Board Committee Meetings, ensuring that the proceedings of Board and Board Committee Meetings and decisions made thereof, are accurately and sufficiently recorded and properly kept for the purposes of meeting statutory obligations as well as obligations arising from Bursa Malaysia Listing Requirements or other regulatory requirements, communicating the decisions of the Board for Management's attention and further action, ensuring all appointments and resignation of directors are in accordance with the relevant legislations and the Board Performance Assessment are properly executed.

1.7 Board Charter

The Board Charter provides the roles and responsibilities of the Board, in carrying out their stewardship role, in dealing with ethical issues and in discharging their duties towards the Group as well as boardroom activities. The Board has formally adopted the Board Charter on 25 April 2013 and is subject to review periodically. The Board Charter is available on the Company's website at www.scchldg.com.my.

PRINCIPLE 2 - STRENGTHEN COMPOSITION OF THE BOARD

2.1 Nomination Committee

The Nomination Committee ("NC") comprises three (3) Non-Executive Directors, who are independent Directors. The members of the NC are as follows:

- | | | |
|----|---------------------------|--|
| 1. | Dato' Ismail bin Hamzah | Chairman, Independent Non-Executive Director |
| 2. | Dato' Dr. Choong Tuck Yew | Member, Independent Non-Executive Director |
| 3. | Dr. Goy Hong Boon | Member, Independent Non-Executive Director |

CORPORATE GOVERNANCE STATEMENT (CONT'D)

PRINCIPLE 2 - STRENGTHEN COMPOSITION OF THE BOARD (CONT'D)

2.1 Nomination Committee (Cont'd)

The NC is to identify, assess and recommend new nominees to the Board and Board Committee. The NC is entrusted with the task of assisting the Board in reviewing the required mix of expertise, skills, experiences and qualifications which Executive Directors and Independent Non-Executive Directors should have. The NC is also responsible to assess the effectiveness of the Board as a whole, the Board committee and the contribution of each individual Director. The NC met on three (3) occasions during the financial year 2014..

The Board, currently, appoints its members through a formal and transparent selection process conducted via NC. This process has been reviewed, approved and adopted by the Board as a whole. New appointees will be considered and evaluated by the Board and the Company Secretary will ensure that all appointments are properly made and that legal and regulatory obligations are met

In accordance with the Company's Article of Associations, one third (1/3) of the Board, shall retire from office and be eligible for re-election at each Annual General Meeting and all the directors shall retire from office once in every three (3) years but shall be eligible for re-election.

Directors appointed by the Board during the financial year shall be subject to retirement and re-election by shareholders in the next Annual General Meeting held following their appointments. Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

The election of each Director is voted on separately. To assist shareholders in their decision, sufficient information such as personal profile, meetings attendance and the shareholdings in the Group of each Director standing for election are furnished.

2.2 Recruitment Process and Annual Assessment

The Board believes in a right composition of board members with balance of qualifications, skills, experiences and diversity among its board members.

NC is periodically reviewing and making recommendation to the Board on board composition matters and recommendations, which inclusive in identification and selection of high calibre candidate who will be able to meet the present and future needs of the Company.

The NC is currently headed by Dato' Ismail bin Hamzah, an Independent Non-Executive Director and all of the said committee members are also Independent non-executive in its functionality.

For the year under review, the Board is satisfied with its current mix of qualification, skills, experiences, expertise and strength, in discharge its duties effectively.

The NC is also responsible in undertaking an annual evaluation of Directors, Board committee as well as the board performance as a whole. This evaluation is used as a tool to evaluate the strength, to identify the gaps or areas for improvement which would give rise in the requirement of new recruitments of board members, if necessary.

The Board annual evaluation process is being conducted by cross evaluation among the Board members, of which the criteria of evaluation are predetermined as follows:

- a) Board Structure
- b) Board operation and communication
- c) Board roles and responsibilities
- d) Undertaking of roles and assignments
- e) Mix of roles and knowledge
- f) Commitment of members
- g) Depth of contribution

CORPORATE GOVERNANCE STATEMENT (CONT'D)

PRINCIPLE 2 - STRENGTHEN COMPOSITION OF THE BOARD (CONT'D)**2.2 Recruitment Process and Annual Assessment (Contd'd)**

During the year under review, the NC had conducted an annual assessment on Directors and Board Committees. The assessments carried out by the NC are properly documented.

The Board does not have any gender diversity policies and targets or any set measures to meet any target. Nevertheless, the Group is an equal opportunity employer and all appointments and employments are based on merits and are not driven by any racial or gender bias. The NC will consider female candidates as new Director of the Company as and when the opportunity arises.

2.3 Remuneration Policies

The Remuneration framework for Executive Chairman, Managing Director and Executive Directors has an underlying objective of attracting and retaining Executive Directors needed to run the Group successfully. The remuneration of the Executive Chairman, Managing Director and Executive Directors consists of basic salary, other emoluments and benefits customary to the Group are made available as appropriate. Any salary and bonus review takes into account the performance of the individual and the Group.

The Non-Executive Directors' remuneration comprises annual fees that reflect their expected roles and responsibilities. The Company has obtained approval from the shareholders at the last AGM held on 26 June 2014 to pay the Directors Fees to the Non-Executive Directors for the financial year ended 31 December 2013.

The Remuneration Committee ("RC") comprises two (2) Non-Executive Directors, who are independent Directors and one (1) Executive Chairman. The members of the RC are as follows:

- | | | |
|----|---------------------------------|--|
| 1. | Dato' Dr. Choong Tuck Yew | Chairman, Independent Non-Executive Director |
| 2. | Dato' Ismail bin Hamzah | Member, Independent Non-Executive Director |
| 3. | Chee Long Sing @ Cher Hwee Seng | Member, Executive Chairman |

Details of Directors remuneration for the financial year ended 31 December, 2014 are as follows:-

	Executive Directors RM '000	Non-Executive Directors RM '000	Total RM '000
Salaries and other emoluments	1,800	-	1,800
Directors' fee	-	72	72
Bonuses	556	-	556
EPF (Employer)	189	-	189
TOTAL	2,545	72	2,617

CORPORATE GOVERNANCE STATEMENT (CONT'D)

PRINCIPLE 2 - STRENGTHEN COMPOSITION OF THE BOARD (CONT'D)

2.3 Remuneration Policies (Contd'd)

Directors remuneration analysed into bands of RM50,000 is as follows :-

Band of Remuneration	No. of Directors		Total
	Executive Directors	Non-Executive Directors	
Below RM50,000	-	3	3
RM50,001 – RM100,000	-	-	-
RM100,001 – RM150,000	-	-	-
RM150,001 – RM200,000	-	-	-
RM200,001 – RM250,000	-	-	-
RM250,001 – RM300,000	-	-	-
RM300,001 – RM350,000	-	-	-
RM350,001 – RM400,000	-	-	-
RM400,001 – RM450,000	2	-	2
RM450,001 – RM500,000	-	-	-
RM500,001 – RM550,000	2	-	2
RM550,001 – RM600,000	-	-	-
RM600,001 – RM650,000	-	-	-
RM650,001 – RM700,000	1	-	1
TOTAL	5	3	8

Note :-

The above mentioned Directors' remuneration is the total sum of the remuneration received by the Directors from the Company and its subsidiaries.

PRINCIPLE 3 - REINFORCE INDEPENDENCE

3.1 Assessment of Independence Annually

The Board strives on the independency of the Non-Executive Directors, who shall have the ability to exercise their duties and make decisions which are in the best interests of the shareholders, unfettered by any business or other relationship with the Executive Directors, ownership and any other interest in the operation of the Company. The Board conducts annual reviews of the independence of each and every of the Directors, in addition of the responsibility of each Director in making immediate declaration over their interest and independency to the Board at any time during his tenure of service.

The Company currently has three (3) Independent Non-Executive Directors, who fulfill the criteria of "Independence" as prescribed under Rule 1.01 of the Bursa Malaysia Securities Berhad ("Bursa Securities") ACE Market Listing Requirements ("AMLR").

3.2 Tenure of Independent Directors

The Board has adopted the recommendation of MCCG 2012 that the tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon the completion of the nine (9) years, an independent director may continue to serve on the Board subject to the director's re-designation as non-independent director or to obtain shareholders' approval in the event it retains as an independent.

3.3 Shareholders' Approval for the re-appointment of Independent Director

For the year under review, none of the current independent board members had served the Company for more than nine (9) years cumulatively.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

PRINCIPLE 3 - REINFORCE INDEPENDENCE (CONT'D)**3.4 Separate of Positions of Chairman and Managing Director**

The Board is led by an Executive Chairman and supported by one (1) Managing Director, three (3) Executive Directors and three (3) Independent Non-Executive Directors.

The Executive Chairman's role includes leading the Board in the oversight of management and is not involved in the day to day management of the Group. Under SCC's organisation and management structure, the roles and functions of a Chief Executive Officer is carried out and performed by the Managing Director.

The Board is not comprised of a majority of independent directors although the Executive Chairman is not an independent director which is a deviation from Recommendation 3.5 of the MCGG 2012.

The Board is of the opinion that there is no issue with regards to the balance of power and authority on the Board as the roles of Executive Chairman and the Managing Director are set out and established while the decision making process of the Board is based on collective decisions without any individual exercising any considerable concentration of power or influence and well balanced by the presence of strong elements of independence in the Board.

3.5 Composition of the Board

The Board as at the date of this statement comprises eight (8) members:-

- a) One (1) Executive Chairman
- b) One (1) Managing Director
- c) Three (3) Executive Directors
- d) Three (3) Non-Executive Directors

All three (3) Non-Executive Directors are Independent as defined in the Bursa Securities AMLR. The Independent Directors are:-

- a) Dato' Dr. Choong Tuck Yew
- b) Dr. Goy Hong Boon
- c) Dato' Ismail bin Hamzah

The Board is of the view that the current size of the Board is appropriate and views that the Board composition has the right mix of skills, experience and strength in qualities that relevant to the business which enable the Board to carry out its responsibilities in an effective and competent manner.

PRINCIPLE 4 - FOSTER COMMITMENT**4.1 Commitment of the Board Members**

The Directors are committed with sufficient time to carry out their duties during their tenure of services. The Board meets on a quarterly basis, with additional meetings being convened when necessary to address issues deemed urgent. The Board met on five (5) occasions during the year ended 31 December 2014 and the details of attendance at Board Meetings held during the financial year are set out below.

Name of Directors	Meetings attended	% of attendance
Chee Long Sing @ Cher Hwee Seng	5/5	100
Cher Sew Seng	5/5	100
Goh Ah Heng @ Goh Keng Chin	5/5	100
Dato' Ismail bin Hamzah	5/5	100
Dato' Dr. Choong Tuck Yew	4/5	80
Dr. Goy Hong Boon	5/5	100
Cher Lip Chun	5/5	100
Chu Soo Meng	5/5	100

CORPORATE GOVERNANCE STATEMENT (CONT'D)

PRINCIPLE 4 - FOSTER COMMITMENT (CONT'D)

4.1 Commitment of the Board Members (Cont'd)

All the Directors have complied with the minimum attendance at Board meetings of at least 50% attendance as stipulated by the Bursa Securities AMLR during the financial year.

The Independent Non-Executive Directors are required to declare to the Board detail of their significant business and interest, of which the said Director would be required to abstain from decision voting should the subject resolution involve any chances of conflict of interest with his existing business and interest, direct or indirectly.

The Executive Directors are however required to declare to the Board of all the other significant business and interests and to indicate broadly the time spent on such commitments, other than the time spent on the Company.

All the Directors are required to advise the Board of any subsequent changes on such commitments declared.

4.2 Training

The Board encourages Directors to continuously upgrade their knowledge and expertise, whether through the training programme provided in house or external trainers. Some of the Directors have from time to time also attended various relevant training programmes and seminars organised by the relevant regulatory authorities and professional bodies to broaden their knowledge and to keep abreast with the relevant changes in law, regulations and the business environment. All Directors have completed the Mandatory Accreditation Programme as stipulated in AMLR.

During the financial period under review, the training programmes attended by the Directors were as follows:

No.	Name	Programme
1.	Chee Long Sing @ Cher Hwee Seng	<ul style="list-style-type: none"> Malaysia GST System The Role of The Chairman Invest Outlook 2015
2.	Cher Sew Seng	<ul style="list-style-type: none"> GST Seminar The 6th Ethics Forum Overview of Advocacy Session on Corporate Disclosure for Directors Let Yourself Become The Next CEO-Part 2 Introduction to Hydroponic System Corporate Culture Dissemination Performance Management & Effective Problem Solving
3.	Goh Ah Heng @ Goh Keng Chin	<ul style="list-style-type: none"> Overview of Advocacy Session on Corporate Disclosure for Directors To Analyze The Global & Domestic Economy Situation GST Seminar Invest Outlook 2015 Let Yourself Become The Next CEO-Part 2 Introduction to Hydroponic System Corporate Culture Dissemination Performance Management & Effective Problem Solving
4.	Dato' Ismail bin Hamzah	<ul style="list-style-type: none"> Overview of Advocacy Session on Corporate Disclosure for Directors Nominating Committee Programme
5.	Dato' Dr. Choong Tuck Yew	<ul style="list-style-type: none"> 2014 MASB Roundtable on Financial Reporting Strategic Enterprise-Wide Risk Management Stepping Up For Better Performance Risk Facilitation Workshop 1
6.	Dr. Goy Hong Boon	<ul style="list-style-type: none"> Enhancing Internal Audit Practice

CORPORATE GOVERNANCE STATEMENT (CONT'D)

PRINCIPLE 4 - FOSTER COMMITMENT (CONT'D)

4.2 Training (Cont'd)

No.	Name	Programme
7.	Cher Lip Chun	<ul style="list-style-type: none"> Enhancing Internal Audit Practice Overview of Advocacy Session on Corporate Disclosure for Directors Overview of ESG Index and Industry Classification Benchmark Let Yourself Become The Next CEO–Part 2 Corporate Culture Dissemination
8.	Chu Soo Meng	<ul style="list-style-type: none"> Overview of Advocacy Session on Corporate Disclosure for Directors Overview of ESG Index and Industry Classification Benchmark GST Seminar Let Yourself Become The Next CEO–Part 2 Introduction to Hydroponic System Corporate Culture Dissemination Performance Management & Effective Problem Solving

PRINCIPLE 5 - UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Compliance with Applicable Financial Reporting Standards

The Board strives to provide a true and fair comprehensive financial reporting of the Group's performance via the audited financial statements and quarterly financial report together with material disclosure of notes to accounts in accordance to MFRS and AMLR.

The AC exercises professional overseeing the integrity of the financial reports, to report and present the financial statement to the Board for approval. The AC also provides assurance to the Board, with the relevant support and clarification from the external auditor that all the financial statement and report presented are in compliance with applicable legal requirements and accounting standards, give a true and fair view of the Group's financial position.

5.2 Assessment of Suitability and Independence of External Auditors

The Board has established a formal and transparent relationship with the auditors. The AC recommends the appointment of the external auditors and their remuneration. The appointment of the external auditors is subject to the approval of shareholders in general meetings whilst their remuneration is determined by the Board. The role of the AC is further described in the Audit Committee Report on page 23 to 26 in the annual report.

The Board believes and exercises private sessions and dialogues between the Board Audit Committee and the external auditors, in the absence of the Executive Directors and the management officers. For the year under review, three (3) sessions and dialogues were conducted in exchange of views and opinions between the both parties in relation to the financial reporting of the Group.

The AC assesses the independence of the external auditors based on, amongst others, the following:

- a. Review the independence and objectivity of the external auditors and the services provided, including non-audit services; and
- b. Ensure the Company's major shareholders and/or Directors do not have any interest in the audit firm prior to its engagement, vice versa.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

PRINCIPLE 6 - RECOGNISE AND MANAGE RISKS

6.1 Framework to Manage Risks

Relevant internal control systems are implemented and executed at all time in daily operation of the Group. The internal auditor who had the independent reporting channel to the AC, are authorised to conduct frequent independent audit at all the departments and offices within the Group. The Internal Auditor has reported the findings to the AC during the AC meeting which was held five (5) times in the year of review.

With the finding from the Internal Auditor, the AC is to review, deliberate and to make necessary decision on the next course of actions as well as the effectiveness and efficiency of the internal control systems within the organization.

The internal control system is designed to manage and mitigate, rather than eliminate, the risk of failure in achieving the Company's corporate objective, safeguard of Company's assets as well as the shareholders' investment interest.

6.2 Internal Audit Function

Details of the Company's internal audit function are set out in the statement of risk management and internal control and the audit committee report on page 28 to 30 and page 23 to 26 in the Annual Report, respectively.

PRINCIPLE 7 - ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Corporate Disclosure Policy

The Board strives to comply with corporate disclosure requirements set by Bursa Securities and follows the main forms of information disclosure:

- a. Continuous disclosure – which is its core disclosure obligation and primary method of informing the market and shareholders.
- b. Periodical disclosure – in the form of full year and quarterly reporting of financial results and major investments, capital expenditure and funding activities proposed by the Company and the Annual Report.
- c. Specific information disclosure – as and when required, of administrative and corporate developments, usually in the form of Bursa releases.

All information made available to Bursa Securities is immediately available to shareholders, stakeholders and the public on the Company's Investor Relations section of the website: www.scchldg.com.my.

7.2 Leverage on information technology

The Board continues use of information technology to dissemination information to shareholders. A designated website for investor relations is developed and maintained by IT professional to ensure the website are secure and up to date. The website has a dedicated section to provide information such as announcements made to Bursa Securities and copies of the annual report.

PRINCIPLE 8 - STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

8.1 Shareholder Participation at General Meetings

The Annual General Meeting ("AGM") is the principal forum for dialogue and interaction with shareholders. The Board is committed to provide shareholders with comprehensive, timely information about the Group's activities and performance to enable easy investment decisions for the shareholders and investors.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

PRINCIPLE 8 - STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS (CONT'D)

8.1 Shareholder Participation at General Meetings (Cont'd)

Shareholders are notified of the meeting and provided with a copy of the Notice of AGM and Annual Report 21 days before the meeting. At each AGM, the shareholders are encouraged to attend and to use the opportunity to ask questions on resolutions being proposed during the meeting and also on the progress, performance and future prospects of the Company. The Chairman and Board members, with the assistance of the external auditors are available to respond and provide explanations in the question and answer session.

8.2 Encourage poll voting

There were no substantive resolutions put forth for shareholders' approval at the previous AGM held on 26 June 2014. As such, all resolutions tabled for shareholders' approval were voted by a show of hands.

Nevertheless, the Company would conduct poll voting if demanded by shareholders at the general meeting.

8.3 Communication and Engagements with Shareholders

Information on the Group's activities is provided in the Annual Report and Financial Statements in hard copy, which are despatched to shareholders. Dialogues are also held by the Group with investment analysts and fund managers to keep them abreast of corporate and financial developments within the Group.

The Company also encourages the shareholders and investors to participate in online access of the company's Annual Report and all up to date announcement from time to time, which are make available instantly at both Bursa Securities and the company's website at www.scchldg.com.my

Investors and the public who wish to contact the Group on any enquiry, comment or proposal can channel them through e-mail at ir@sc.com.my.

STATEMENT ON COMPLIANCE WITH THE REQUIREMENTS OF BURSA MALAYSIA IN RELATION TO APPLICATION OF PRINCIPLES AND ADOPTION OF BEST PRACTISES LAID DOWN IN THE MCCG 2012

The Board is pleased to report to its shareholders that the Group has substantially complied with and shall remain committed to attaining the highest possible standards through the continues adoption of the best practises as stipulated in the Principles and Recommendations of the MCCG 2012 and all other applicable laws.

Signed on behalf of the Board in accordance with their resolution dated 24 April 2015

AUDIT COMMITTEE REPORT

MEMBERS OF THE AUDIT COMMITTEE

The members of the Audit Committee ("AC") are:

Name	Designation	Directorship
Dato' Dr. Choong Tuck Yew	Chairman	Independent Non-Executive Director
Dato' Ismail bin Hamzah	Member	Independent Non-Executive Director
Dr. Goy Hong Boon	Member	Independent Non-Executive Director

ATTENDANCE AT MEETINGS

The AC members attended all five (5) meetings held for the FYE 31 December 2014 can be summarised as follows:

Name	Total Meetings attended by Committee Members
Dato' Dr. Choong Tuck Yew	4/5
Dato' Ismail bin Hamzah	5/5
Dr. Goy Hong Boon	5/5

TERMS OF REFERENCE

Composition of the Audit Committee

Composition

The AC is comprised of three (3) members who are directors of the Company. In compliance with the Bursa Securities AMLR, the AC is comprised of not less than three members, all of whom are independent non-executive directors.

Dato' Dr. Choong Tuck Yew meets the requirements of Rule 15.09 (1) (c) (i) of the Bursa Securities AMLR that he is a Chartered Accountant and a member of the Malaysian Institute of Accountants. Furthermore, all other members have been long-standing members of the Board and have working familiarity with finance and accounting practices.

MEETINGS AND MINUTES

Meetings

The AC will meet at least four (4) times a year although such additional meetings may be called at any time at the discretion of the Committee. During the financial year under review, the Committee convened five (5) meetings and the record of attendance is shown above.

The meetings are pre-scheduled, notices and AC papers are circulated to all members well before each meeting with sufficient time for them to prepare themselves for deliberating on the matters being raised. The Agenda carries matters that need to be deliberated, reviewed or decided on and further reported to the main Board.

If the need arises, the Chairman has the discretion to call for the attendance of Management and Internal Auditor and External Auditors during such meetings.

The AC also met the External Auditors in three (3) private sessions without the presence of Management to discuss audit related matters that Auditors wish to raise directly with the Committee during the FYE 31 December 2014.

AUDIT COMMITTEE REPORT (CONT'D)

MEETINGS AND MINUTES (CONT'D)

Minutes

The Company Secretary shall be the Secretary of the Committee. The Secretary of the AC shall provide the necessary administrative and secretarial services for the effective functioning of the Committee. The minutes of the meetings are circulated to the Committee and to all members of the Board.

OBJECTIVES AND AUTHORITY

The primary objectives of the AC are to:-

- i. relieve the full Board detailed involvement in the review of the results of internal and external audit activities and to ensure that audit findings are brought up to the highest level for consideration.
- ii. comply with the Bursa Securities AMLR and other specified financial standards, required disclosure policies, regulations, rules, directives or guidelines developed and administered by Bursa Securities.
- iii. to ensure consistency with Bursa Securities' commitment to encourage high standards of corporate disclosure.

AUTHORITY

The Committee is authorised by the Board:-

- i. investigate any activity within the scope of the Committee's duties;
- ii. have full and unrestricted access to any information from both internal and external auditors and any employee(s) of the Group;
- iii. obtain external legal or other independent professional advice whenever necessary; and
- iv. convene meetings with the external auditors, internal auditors or both excluding the attendance of the other directors and employees of the Company whenever deemed necessary.

DUTIES

The duties of the AC are as follows:-

- i. to consider the external auditors for appointment, audit fees and review any letter of resignation or dismissal and proposal for re-appointment of external auditors or whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment.
- ii. to discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved.
- iii. to review:-
 - a) with the external auditors, the audit plan;
 - b) with the external auditors, their evaluation of the system of internal controls;
 - c) with the external auditors, their audit report;
 - d) the assistance given by the Company's officer to the external auditors;
 - e) any appraisal or assessment of the performance of member of the internal audit function;

AUDIT COMMITTEE REPORT (CONT'D)

DUTIES (CONT'D)

- iii. to review:- (cont'd)
 - f) the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:-
 - (aa) changes in or implementation of major accounting policy changes;
 - (bb) significant and unusual events;
 - (cc) the going concern concept; and
 - (dd) compliance with accounting standards and other legal requirements;
 - g) any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
 - h) the external auditor's management letter and management's response.
- iv. to review and discuss problems and reservations arising from the interim and final audits and any matter the external auditors may wish to discuss (in the absence of management where necessary).
- v. to do the following in relation to internal audit function:-
 - a) review the adequacy of the scope, function, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
 - b) review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - c) review any appraisal or assessment of the performance of members of the internal audit function
 - d) approve any appointment or termination of senior staff members of the internal audit function;
 - e) inform itself of resignations of senior staff members of the internal audit function and provide the resigning staff member an opportunity to submit his reasons for resigning.
- vi. to assist the Board to discharge its statutory duties and responsibilities.
- vii. to ensure proper implementation and recommend appropriate remedial and corrective measures in respect of such findings arising from inspections conducted by the regulators.
- viii. to monitor the Company's compliance with applicable laws and regulations.
- ix. to consider the major findings of internal investigations and management's response.
- x. to review the changes in statutory requirements and any rules issued thereunder, and any significant audit problems that can be foreseen either as a result of the previous years' experience or because of new development.
- xi. to carry out such other responsibilities, functions or assignments as may be defined jointly by the AC and the Board from time to time.
- xii. in compliance with Rule 15.16 of the Bursa Securities AMLR, where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Bursa Securities AMLR, the Committee must promptly report such matter to Bursa Securities.

No member of the AC shall have a relationship which in the opinion of the Board will interfere with the exercise of independent judgement in carrying out the functions of the AC.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF ACTIVITIES

The main activities carried out by the AC during the year were as follows:-

- a. Reviewed the quarterly unaudited financial results of the Company and Group before recommending to the Board for consideration and approval.
- b. Reviewed the audited financial statements of the Company and Group prior to submission to the Board for consideration and approval. The review was to ensure that these financial statements were drawn up in accordance with the provisions of the Companies Act 1965 and the applicable approved accounting standards.
- c. Reviewed the external auditors' scope of work and audit plan for the year.
- d. Reviewed with the external auditors, the results of the annual audit, audit report, including the management's response.
- e. Reviewed the AC Report, Corporate Governance Statement and Statement on Internal Control and submitted the said documents to the Board for consideration and approval so as to be included in the Annual Report for financial year ended 31 December 2014.
- f. Reviewed with the Internal Auditor, the internal audit plans, the internal audit reports, their evaluation of system of internal controls and the follow-up on the audit findings.
- g. Reviewed related party transactions within the Group.
- h. Recommended the nomination of Messrs Baker Tilly Monterio Heng for re-appointment as external auditors for the Company and Group.

INTERNAL AUDIT FUNCTION

The AC is aware that an independent and adequately resourced internal audit function is essential to assist in ensuring an effective and adequate internal control system.

The AC has appointed an independent professional firm as the outsourced internal auditor.

The cost incurred for the outsourced independent internal audit services in respect of the financial year ended 31 December 2014 was RM24,625.

The Internal Auditor carried out the following activities for the period:-

- a) reviewed and appraised the soundness, adequacy and application of financial and operational controls of the Group.
- b) reviewed the current system covering business processes to ensure proper internal controls are embedded in these processes.
- c) monitored the implementation of the audit recommendations to ensure all key risks and controls have been addressed.

The principal role of the Internal Auditors is to undertake an independent, regular and systematic review of the systems of internal control so as to provide reasonable assurance that such system continue to operate satisfactorily and effectively.

ADDITIONAL COMPLIANCE INFORMATION

The following is presented in compliance with the Bursa Securities AMLR:

1. Utilisation of Proceeds Raised from Corporate Proposal

As at the Financial Year Ended 31 December 2014, the proceeds of approximately RM8.7 million raised by the Company from its IPO exercise have been utilised as follows:

Purpose	Proposed utilisation RM'000	Revised utilisation as per announcement	Actual utilisation RM'000	Intended revised timeframe for utilisation from the listing date* as per announcement dated
		dated 23 July 2012 RM'000		23 July 2013
Capital Expenditure	2,000	2,000	2,000	-
Program development	3,000	-	-	-
Working Capital	2,291	5,291	5,291	-
Estimated listing expenses	1,380	1,380	1,380	Upon Listing
Total	8,671	8,671	8,671	

Notes

* SCC was listed on 3 August 2010.

As at the date of this report, the IPO proceeds are fully utilized.

2. Share Buy-Back

The Company did not undertake any share buy-back exercise during FYE 31 December 2014.

3. Options, Warrants or Convertible Securities Exercised

The Company did not have any options, warrants or convertible securities in issue during FYE 31 December 2014.

4. Depository Receipt Programme

The Company did not sponsor any depository receipt programme in the FYE 31 December 2014.

5. Sanctions and/or Penalties

The Company and its subsidiaries, Directors and management have not been imposed with any sanctions and/or penalties by any relevant regulatory bodies during FYE 31 December 2014.

6. Non-Audit Fees

There were no non-audit fees paid to the external auditors or a firm or company affiliated to the auditors' firm by the Group for the FYE 31 December 2014.

7. Variation of Results

There was no variation in results of 10% or more between the profits stated in the announced unaudited financial statements and the audited financial statements.

8. Profit Guarantee

The Company did not receive any profit guarantee during FYE 31 December 2014.

9. Material Contracts Involving Directors and Substantial Shareholders

There was no material contract entered into by the Company and/or its subsidiaries involving Directors and Substantial Shareholders' interests for the FYE 31 December 2014.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Malaysian Code on Corporate Governance 2012 (“MCCG 2012”) sets out the principles that the board of directors of a listed company should establish a sound risk management framework and internal controls system to safeguard shareholders’ investment and assets of the Group.

The Statement on Risk Management and Internal Control by the Board on the Group is made pursuant Rule 15.26(b) of the Bursa Securities AMLR and in accordance with the Principles and Recommendations relating to risk management and internal controls provided in MCCG 2012.

BOARD RESPONSIBILITIES

The Board acknowledges its responsibility to observe the MCCG 2012 in maintaining a sound system of risk management and internal control throughout the operations of the Group in order to safeguard shareholders’ investments and the assets of the Group.

The Board is responsible in identifying, valuating and managing the significant risk of the Group, as well as reviewing adequacy and effectiveness of the risk management and internal control on an ongoing basis.

The Board believes the risk management and internal control system is adequate and effective to manage the risk of the Group. Nevertheless, due to the inherent limitations in any system, such systems are designed to mitigate rather than eliminate the likelihood of fraud and error. In addition, it should be noted that any system can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board has received assurance from the Group Managing Director that the Group’s risk management and internal control system will operate adequately and effectively, in all material aspects, based on the risk management and internal control system.

RISK MANAGEMENT

The Board recognises that identification, evaluation and management of significant risks faced by the Group are an ongoing process.

The Board reviews internal control issues identified by the management and the internal auditors and evaluates the adequacy and effectiveness of the Group’s risk management and internal control system.

A Risk Management Committee (“RMC”) comprises the Managing Director, three (3) Executive Directors and three (3) management staff which include the Finance Manager, had been setup to review the adequacy and effectiveness of risk management of the Group, and to ensure action plans is carried out to mitigate the risk face by the Group.

KEY ELEMENTS OF THE INTERNAL CONTROL SYSTEM

Internal controls are embedded in the Group’s operations as follows:

Organisational Structure

The Group has in place an organisational structure with clearly defined lines of responsibilities and functionalities which promotes appropriate levels of accountability for risk management, control procedures and effectiveness of operations. All new employees are required to undergo an orientation programme and the job function is clearly written for transparency and better accountability.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

KEY ELEMENTS OF THE INTERNAL CONTROL SYSTEM (CONT'D)

Board and Management Meetings

Strategic planning and detailed target setting for each area of business are established during the year end. The Board meets on a quarterly basis to review agendas which amongst others include matters in relation to internal audit reports. The management will meet on a monthly basis to monitor the Company's actual results against target, whereby significant variances are being investigated and management action taken, where necessary as well as obtaining feedbacks on daily operational issues.

Performance Management Framework

Management reports are generated on a monthly and quarterly basis to allow the Board and the Group's management to monitor the performance of its respective business units. The Group's management information system is designed to provide the management with better reporting and review encompasses financial and non-financial matters for compliance and daily operational use.

Limits of Authority

Level of authorities and lines of responsibilities from business divisions up to the Board level are well-defined to ensure accountabilities and responsibilities for risk management and control activities.

Operational policies and procedures

The Group's policies and procedures form an integral part of the internal control system to safeguard the Group's assets against material losses and to ensure that the daily operations are running smoothly. Regular reviews are performed to ensure that documentation remains current and relevant. Operation control procedures have been established according to ISO 9001 standard. This is to ensure that the business process flow is in order and properly executed.

AUDIT COMMITTEE AND INTERNAL AUDIT

The Company adopts a risk-based approach to the implementation and monitoring of relevant internal controls. The Audit Committee was entrusted by the Board to ensure that an effective and adequate internal control system is in place at all times. To assist the Audit Committee in discharging its duties and responsibilities, the internal audit function was outsourced to an independent professional service firm to take charge of the Group's internal audit function during the financial year. The report is submitted to the Audit Committee, which reviews the findings with Management at the AC Meeting. In assessing the adequacy and effectiveness of the system of internal controls of the Group, the AC reports to the Board its activities, significant results, findings and the necessary recommendations or changes.

During the financial year under review, the Board was satisfied that there were continuous efforts by the Management to address and resolve areas with control weaknesses and that the control procedures were in place and were being followed.

WEAKNESSES IN INTERNAL CONTROL

There were no major weaknesses in internal control which resulted in material losses during the financial period under review.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the AMLR of Bursa Securities, this Statement has been reviewed by the External Auditors for inclusion in the Annual Report of the Group for the period ended 31 December 2014. The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of risk management and internal control.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

CONCLUSION

The Board is of the view that the Group's system of risk management and internal control are adequate in achieving its business objective. However, the Board is also mindful of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board and the Management maintain an on-going commitment to continue taking appropriate measures to enhance and strengthen the risk management and internal controls of the Group.

This Statement was made in accordance with the resolution of the Board dated 24 April 2015.

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 1965 to prepare financial statements for each financial year which have been made out in accordance with applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and the Company at the financial year end and of the results and cash flows of the Group and Company for the financial year.

In preparing the financial statements, the Directors have carried out their responsibilities by:

- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- ensured that all applicable accounting standards have been complied with; and
- prepared financial statements on a going concern basis, as the Board has reasonable expectations, having made enquiries, that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and Company and which enable them to ensure that the financial statements comply with the Companies Act 1965. The Directors have the overall responsibility of taking such steps as are reasonably available to them to safeguard the assets of the Group, to prevent and detect fraud and other irregularities.

A stylized green tree graphic with a thick trunk and several large, rounded leaves, positioned on the right side of the page. The background is a light green gradient with wavy, organic shapes.

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and the Company for the financial year ended 31st December 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in Note 5 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	6,574	4,904
Other comprehensive income	11	-
Total comprehensive income for the financial year	6,585	4,904
Profit attributable to:		
Owners of the Company	6,574	4,904
Total comprehensive income attributable to:		
Owners of the Company	6,585	4,904

RESERVES AND PROVISIONS

There were no material transfers to and from reserves and provisions during the financial year other than those disclosed in the financial statements.

DIVIDENDS

During the financial year, the Company paid an interim single-tier dividend of 5 sen per share and a special single-tier dividend of 5 sen per share, on 42,757,000 ordinary shares amounting to RM4,275,700/- in respect of the financial year ended 31st December 2014.

The directors do not recommend the payment of any final dividends in respect of the financial year ended 31st December 2014.

BAD AND DOUBTFUL DEBTS

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts and the provision of doubtful debts, in the financial statements of the Group and of the Company inadequate to any substantial extent.

DIRECTORS' REPORT (CONT'D)

CURRENT ASSETS

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company had been written down to an amount that they might be expected to be realised.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (i) any charge on the assets of the Group and of the Company that have arisen since the end of the financial year which secures the liabilities of any other person, or
- (ii) any contingent liabilities in respect of the Group and of the Company that have arisen since the end of the financial year.

No contingent liabilities or other liabilities of the Group and of the Company have become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company that would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any shares and debentures during the financial year.

DIRECTORS' REPORT (CONT'D)

DIRECTORS

The directors in offices since the date of the last report are:-

Chee Long Sing @ Cher Hwee Seng
 Cher Sew Seng
 Goh Ah Heng @ Goh Keng Chin
 Dato' Ismail bin Hamzah
 Dato' Dr. Choong Tuck Yew
 Dr. Goy Hong Boon
 Chu Soo Meng
 Cher Lip Chun

DIRECTORS' INTERESTS

According to the Register of Directors' shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia, the interests of those directors who held office at the end of the financial year in shares in the Company during the financial year ended 31st December 2014 are as follows:-

	Number of ordinary shares of RM0.50 each			
	At 1.1.2014	Bought	Sold	At 31.12.2014
The Company				
SCC Holdings Berhad				
Direct interest				
Chee Long Sing @ Cher Hwee Seng	9,299,016	-	-	9,299,016
Cher Lip Chun	249,940	-	-	249,940
Cher Sew Seng	5,878,136	-	-	5,878,136
Goh Ah Heng @ Goh Keng Chin	4,078,923	-	(500,000)	3,578,923
Chu Soo Meng	30,000	-	-	30,000
Dato' Dr. Choong Tuck Yew	20,000	-	-	20,000
Indirect interest				
Chee Long Sing @ Cher Hwee Seng #	187,421	-	-	187,421
Cher Sew Seng *	525,000	-	-	525,000
Cher Lip Chun ^	20,000	-	-	20,000

Deemed interest by virtue of his direct shareholdings in Kumsan Enterprise (M) Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965 in Malaysia and by virtue of his spouse's and child's direct shareholdings in the Company.

* Deemed interest by virtue of his spouse's and children's direct shareholding in the Company.

^ Deemed interest by virtue of his spouse's direct shareholdings in the Company.

By virtue of their interests in the Company, Chee Long Sing @ Cher Hwee Seng, Cher Lip Chun, Cher Sew Seng, Goh Ah Heng @ Goh Keng Chin, Chu Soo Meng and Dato' Dr. Choong Tuck Yew are also deemed interested in shares in the subsidiaries to the extent that the Company has an interest.

Other than as stated above, none of the other directors in office at the end of the financial year have any interest in the shares of the Company and its related corporations during the financial year.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company or any of its related corporations a party to any arrangement whose object was to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 28 to the financial statements.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng, have expressed their willingness to continue in office.

On behalf of the Board,

.....
**CHEE LONG SING @
CHER HWEE SENG**
Director

.....
CHER SEW SENG
Director

Kuala Lumpur

Date: 24th April 2015

STATEMENT BY DIRECTORS

We, **CHEE LONG SING @ CHER HWEE SENG** and **CHER SEW SENG**, being two of the directors of SCC HOLDINGS BERHAD, do hereby state that in the opinion of the directors, the financial statements set out on pages 40 to 86 are properly drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial positions of the Group and of the Company as at 31st December 2014 and of the results and cash flows of the Group and of the Company for the financial year ended on that date.

The supplementary information set out on page 87 has been prepared in accordance with the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants.

On behalf of the Board,

.....
CHEE LONG SING @ CHER HWEE SENG
 Director

.....
CHER SEW SENG
 Director

Kuala Lumpur

Date: 24th April 2015

STATUTORY DECLARATION

I, WONG POW YEE, being the officer primarily responsible for the financial management of SCC HOLDINGS BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 40 to 86 and the supplementary information set out on page 87 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

.....
WONG POW YEE

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 24th April 2015.

Before me,

.....
ZULKIFLA MOHD DAHLIM (No.W541)
 Commissioner for Oaths
 Kuala Lumpur Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SCC HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

Report on the financial statements

We have audited the financial statements of SCC Holdings Berhad, which comprise the statements of financial position as at 31st December 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 6 to 66.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31st December 2014 and of their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the followings:-

- (a) In our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT (CONT'D)
TO THE MEMBERS OF SCC HOLDINGS BERHAD
(INCORPORATED IN MALAYSIA)

Other Reporting Responsibilities

The supplementary information set out on page 67 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng

No. AF 0117

Chartered Accountants

Ng Boon Hiang

No. 2916/03/16 (J)

Chartered Accountant

Kuala Lumpur

Date: 24th April 2015

STATEMENTS OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2014

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	5,363	4,478	-	-
Investment in subsidiaries	5	-	-	16,300	15,900
Goodwill on consolidation	6	8	8	-	-
Investment securities	7	53	40	-	-
Total Non-Current Assets		5,424	4,526	16,300	15,900
Current Assets					
Inventories	8	5,797	3,850	-	-
Trade receivables	9	10,116	8,724	155	161
Other receivables, deposits and prepayments	10	316	667	6,234	3,999
Tax recoverable		67	59	67	59
Deposits placed with licensed banks	11	10,370	11,404	2,627	4,822
Cash and bank balances		4,626	4,392	351	171
Total Current Assets		31,292	29,096	9,434	9,212
TOTAL ASSETS		36,716	33,622	25,734	25,112
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	12	21,379	21,379	21,379	21,379
Share premium	13	2,667	2,667	2,667	2,667
Retained earnings		9,697	7,399	1,574	946
Fair value reserve	14	37	26	-	-
Total Equity		33,780	31,471	25,620	24,992
Non-Current Liabilities					
Hire purchase payables	15	181	191	-	-
Deferred tax liabilities	16	171	130	-	-
Total Non-Current Liabilities		352	321	-	-
Current Liabilities					
Trade payables	17	450	430	-	-
Other payables, deposits and accruals	18	1,029	826	114	120
Hire purchase payables	15	86	51	-	-
Tax payable		1,019	523	-	-
Total Current Liabilities		2,584	1,830	114	120
Total Liabilities		2,936	2,151	114	120
TOTAL EQUITY AND LIABILITIES		36,716	33,622	25,734	25,112

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	19	42,246	38,692	6,504	6,131
Cost of sales		(21,190)	(20,080)	-	-
GROSS PROFIT		21,056	18,612	6,504	6,131
Other income		973	983	132	230
Administrative expenses		(8,573)	(8,507)	(1,670)	(1,851)
Selling and distribution expenses		(3,770)	(3,400)	-	-
Other expenses		(658)	(792)	-	-
OPERATING PROFIT	20	9,028	6,896	4,966	4,510
Finance costs					
- hire purchase interest		(13)	(7)	-	-
PROFIT BEFORE TAXATION		9,015	6,889	4,966	4,510
Taxation	21	(2,441)	(1,691)	(62)	94
PROFIT FOR THE FINANCIAL YEAR		6,574	5,198	4,904	4,604
Other comprehensive income/(loss) Items that are or may be reclassified subsequently to profit or loss					
- Change in fair value of available-for-sale financial assets		11	7	-	-
- Available-for-sale financial assets reclassified to profit or loss		-	(13)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		6,585	5,192	4,904	4,604
Profit attributable to:					
Owners of the Company		6,574	5,198	4,904	4,604
Total comprehensive income attributable to:					
Owners of the Company		6,585	5,192	4,904	4,604
Earnings per ordinary share attributable to owners of the Company					
- basic, earning per ordinary share (sen)	22(a)	15.38	12.16		
- diluted, earning per ordinary share (sen)	22(b)	15.38	12.16		

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014

	← Attributable to owner of the Company →				Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	
Group					
At 1st January 2013	21,379	2,667	32	6,477	30,555
Change in fair value of available- for-sale financial assets	-	-	7	-	7
Reclassification to profit or loss	-	-	(13)	-	(13)
Total other comprehensive income for the year	-	-	(6)	-	(6)
Profit for the year	-	-	-	5,198	5,198
Total comprehensive income for the financial year	-	-	(6)	5,198	5,192
Dividends (Note 23)	-	-	-	(4,276)	(4,276)
At 31st December 2013	21,379	2,667	26	7,399	31,471
Change in fair value of available- for-sale financial assets	-	-	11	-	11
Profit for the year	-	-	-	6,574	6,574
Total comprehensive income for the financial year	-	-	11	6,574	6,585
Dividends (Note 23)	-	-	-	(4,276)	(4,276)
At 31st December 2014	21,379	2,667	37	9,697	33,780
Company					
At 1st January 2013	21,379	2,667	-	618	24,664
Total comprehensive income for the financial year	-	-	-	4,604	4,604
Dividends (Note 23)	-	-	-	(4,276)	(4,276)
At 31st December 2013	21,379	2,667	-	946	24,992
Total comprehensive income for the financial year	-	-	-	4,904	4,904
Dividends (Note 23)	-	-	-	(4,276)	(4,276)
At 31st December 2014	21,379	2,667	-	1,574	25,620

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:				
Profit before taxation	9,015	6,889	4,966	4,510
Adjustments for:				
Depreciation	571	489	-	-
Dividend income	(1)	(1)	(4,813)	(4,590)
Gain on disposal of property, plant and equipment	(13)	(124)	-	-
Impairment loss on trade receivables	64	172	-	-
Impairment loss on trade receivables no longer required	(206)	(153)	-	-
Interest income	(371)	(449)	(132)	(230)
Interest expense	13	7	-	-
Reversal of inventories written down	-	(23)	-	-
Reversal of fair value reserve	-	(13)	-	-
Operating profit/(loss) Before Working Capital Changes	9,072	6,794	21	(310)
Changes in Working Capital :				
Inventories	(1,947)	(1,159)	-	-
Receivables	(899)	(980)	(2,229)	(3,472)
Payables	223	280	(6)	(3)
	6,449	4,935	(2,214)	(3,785)
Tax paid	(1,912)	(1,798)	(70)	(95)
Tax refund	-	739	-	-
Net Operating Cash Flows	4,537	3,876	(2,284)	(3,880)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of property, plant and equipment (Note A)	(1,392)	(428)	-	-
Net movement in investment securities	(2)	-	-	-
Addition in investment in a subsidiary	-	-	(400)	-
Sales proceeds on disposal of marketable securities	-	22	-	-
Sales proceeds on disposal of property, plant and equipment	48	132	-	-
Dividends received	1	1	4,813	4,590
Interest received	371	449	132	230
Net Investing Cash Flows	(974)	176	4,545	4,820

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES:				
Interest paid	(13)	(7)	-	-
Uplift/(placement) in deposits pledged with licensed banks	1,033	(31)	-	-
Repayment of hire purchase payables	(74)	(32)	-	-
Dividends paid	(4,276)	(4,276)	(4,276)	(4,276)
Net Financing Cash Flows	(3,330)	(4,346)	(4,276)	(4,276)
NET CHANGES IN CASH AND CASH EQUIVALENTS	233	(294)	(2,015)	(3,336)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	14,763	15,057	4,993	8,329
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	14,996	14,763	2,978	4,993
ANALYSIS OF CASH AND CASH EQUIVALENTS				
Cash and bank balances	4,626	4,392	351	171
Deposits placed with licensed banks (Note 11)	10,370	11,404	2,627	4,822
	14,996	15,796	2,978	4,993
Less : Deposits pledged with licensed banks	-	(1,033)	-	-
	14,996	14,763	2,978	4,993

Note	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
A. Purchase of property, plant and equipment				
Purchase of property, plant and equipment	1,491	698	-	-
Less:-				
- Financed by hire purchase instalment plans	(99)	(270)	-	-
Cash payment	1,392	428	-	-

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad. The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in Note 5 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

The principal place of business of the Company is located at No. 21, Jalan Hujan, Taman Overseas Union, 5th Mile, Jalan Kelang Lama, 58200 Kuala Lumpur.

The registered office of the Company is located at No.2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL).

The financial statements are expressed in Ringgit Malaysia ("RM'000").

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 24th April 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost basis, other than as disclosed in the significant accounting policies in Note 2.3.

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int")

(a) Adoption of Amendments/Improvements to MFRSs and New IC Int

The Group and the Company had adopted the following amendments/improvements to MFRSs and new IC Int that are mandatory for the current financial year:-

Amendments/Improvements to MFRSs

MFRS 10	Consolidated Financial Statements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 127	Separate Financial Statements
MFRS 132	Financial Instruments: Presentation
MFRS 136	Impairment of Assets
MFRS 139	Financial Instruments: Recognition and Measurement

New IC Int

IC Int 21	Levies
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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (Continued)

(a) Adoption of Amendments/Improvements to MFRSs and New IC Int (Continued)

The adoption of the above amendments/improvements to MFRSs and new IC Int do not have any effect on the financial statements of the Group and of the Company except for those as discussed below:-

Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosure of Interests in Other Entities and MFRS 127 Separate Financial Statements

Amendments to MFRS 10 introduces an exception to the principle that all subsidiaries shall be consolidated. The amendments define an investment entity and require a parent that is an investment entity to measure its investment in particular subsidiaries at fair value through profit or loss in accordance with MFRS 139 Financial Instruments: Recognition and Measurement instead of consolidating those subsidiaries in its consolidated financial statements. Consequently, new disclosure requirements related to investment entities are introduced in amendments to MFRS 12 and MFRS 127.

In addition, amendments to MFRS 127 also clarifies that if a parent is required, in accordance with paragraph 31 of MFRS 10, to measure its investment in a subsidiary at fair value through profit or loss in accordance with MFRS 139, it shall also account for its investment in that subsidiary in the same way in its separate financial statements.

Amendments to MFRS 132 Financial Instruments: Presentation

Amendments to MFRS 132 does not change the current offsetting model in MFRS 132. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off', that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. The amendments clarify that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria. This Amendments only impacts the presentation in the financial statements but has no impact on the financial results and positions of the Group and of the Company.

Amendments to MFRS 136 Impairment of Assets

Amendments to MFRS 136 clarifies that disclosure of the recoverable amount of an asset or cash generating unit is required to be disclosed only when an impairment loss is recognised or reversed. In addition, there are new disclosure requirements about fair value measurement when impairment or reversal of impairment is recognised.

Amendments to MFRS 139 Financial Instruments: Recognition and Measurement

Amendments to MFRS 139 provides relief from discontinuing hedge accounting in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. As a result of the amendments, continuation of hedge accounting is permitted if as a consequence of laws or regulations, the parties to hedging instrument agree to have one or more clearing counterparties replace their original counterparty and the changes to the terms arising from the novation are consistent with the terms that would have existed if the novated derivative were originally cleared with the central counterparty.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (Continued)

(a) Adoption of Amendments/Improvements to MFRSs and New IC Int (Continued)

IC Int 21 Levies

IC Int 21 addresses the accounting for a liability to pay a government levy (other than income taxes and fine or other penalties that imposed for breaches of the legislation) if that liability is within the scope of MFRS 137 Provisions, Contingent Liabilities and Contingent Assets. This interpretation clarifies that an entity recognises a liability for a levy when the activity that triggers the payment of the levy, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is recognised progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognised before the specific minimum threshold is reached. The adoption of IC Int 21 has no significant impact to the financial statements of the Group and of the Company.

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted

The Group and the Company have not adopted the following new MFRSs and amendments/improvements to MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:-

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2017
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 July 2014
MFRS 2	Share-based Payment	1 July 2014
MFRS 3	Business Combinations	1 July 2014
MFRS 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
MFRS 7	Financial Instruments: Disclosures	1 January 2016
MFRS 8	Operating Segments	1 July 2014
MFRS 10	Consolidated Financial Statements	1 January 2016
MFRS 11	Joint Arrangements	1 January 2016
MFRS 12	Disclosures of Interests in Other Entities	1 January 2016
MFRS 13	Fair Value Measurement	1 July 2014
MFRS 101	Presentation of Financial Statements	1 January 2016
MFRS 116	Property, Plant and Equipment	1 July 2014/ 1 January 2016
MFRS 119	Employee Benefits	1 July 2014/ 1 January 2016
MFRS 124	Related Party Disclosures	1 July 2014
MFRS 127	Separate financial statements	1 January 2016
MFRS 128	Investments in Associates and Joint Ventures	1 January 2016
MFRS 138	Intangible Assets	1 July 2014/ 1 January 2016
MFRS 140	Investment Property	1 July 2014
MFRS 141	Agriculture	1 January 2016

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (Continued)****(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted (Continued)**

A brief discussion on the above significant new MFRSs and amendments/improvements to MFRSs are summarised below. Due to the complexity of these new standards, the financial effects of their adoption are currently still being assessed by the Group and the Company.

MFRS 9 Financial Instruments

MFRS 9 introduces a package of improvements which includes a classification and measurement model, a single forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.

Classification and measurement

MFRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statement of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statement of financial position.

Impairment

MFRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

Hedge accounting

MFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (Continued)

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted (Continued)

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

- Identify the contracts with a customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The following MFRSs and IC Interpretations will be withdrawn on the application of MFRS 15:

MFRS 111	Construction Contracts
MFRS 118	Revenue
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 131	Revenue – Barter Transactions Involving Advertising Services

Amendments to MFRS 3 Business Combinations

Amendments to MFRS 3 clarifies that when contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to MFRS 132 Financial Instruments: Presentation. It also clarifies that contingent consideration that is classified as an asset or a liability shall be subsequently measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

In addition, amendments to MFRS 3 clarifies that MFRS 3 excludes from its scope the accounting for the formation of all types of joint arrangements (as defined in MFRS 11 Joint Arrangements) in the financial statements of the joint arrangement itself.

Amendments to MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 7 provides additional guidance to clarify whether servicing contracts constitute continuing involvement for the purposes of applying the disclosure requirements of MFRS 7.

The Amendments also clarify the applicability of Disclosure – Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 7) to condensed interim financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (Continued)****(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted (Continued)*****Amendments to MFRS 8 Operating Segments***

Amendments to MFRS 8 requires an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments. This includes a brief description of the operating segments that have been aggregated and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

The Amendments also clarifies that an entity shall provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly to the chief operating decision maker.

Amendments to MFRS 13 Fair Value Measurement

Amendments to MFRS 13 relates to the IASB's Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarifies that when IASB issued IFRS 13, it did not remove the practical ability to measure short-term receivables and payables with no stated interest rate at invoice amounts without discounting, if the effect of discounting is immaterial.

The Amendments also clarifies that the scope of the portfolio exception of MFRS 13 includes all contracts accounted for within the scope of MFRS 139 Financial Instruments: Recognition and Measurement or MFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in MFRS 132 Financial Instruments: Presentation.

Amendments to MFRS 101 Presentation of Financial Statements

Amendments to MFRS 101 improves the effectiveness of disclosures. The Amendments clarifies guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

Amendments to MFRS 116 Property, Plant and Equipment

Amendments to MFRS 116 clarifies the accounting for the accumulated depreciation/amortisation when an asset is revalued. It clarifies that:

- the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; and
- the accumulated depreciation / amortisation is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

Amendments to MFRS 116 prohibits revenue-based depreciation because revenue does not reflect the way in which an item of property, plant and equipment is used or consumed.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (Continued)

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted (Continued)

Amendments to MFRS 119 Employee Benefits

Amendments to MFRS 119 provides a practical expedient in accounting for contributions from employees or third parties to defined benefit plans.

If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.

However, if the amount of the contributions is dependent on the number of years of service, an entity is required to attribute those contributions to periods of service using the same attribution method required by MFRS 119 for the gross benefit (i.e. either based on the plan's contribution formula or on a straight-line basis).

In addition, the Amendments clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability and the depth of the market for high quality corporate bonds should be assessed at a currency level.

Amendments to MFRS 124 Related Party Disclosures

Amendments to MFRS 124 clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

Amendments to MFRS 127 Separate Financial Statements

Amendments to MFRS 127 allows a parent and investors to use the equity method in its separate financial statements to account for investments in subsidiaries, joint ventures and associates, in addition to the existing options.

Amendments to MFRS 138 Intangible Assets

Amendments to MFRS 138 introduces a rebuttable presumption that the revenue-based amortisation method is inappropriate (for the same reasons as per the Amendments to MFRS 116). This presumption can be overcome only in the limited circumstances:-

- in which the intangible asset is expressed as a measure of revenue, i.e. in the circumstance in which the predominant limiting factor that is inherent in an intangible asset is the achievement of a revenue threshold; or
- when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (Continued)

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted (Continued)

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These Amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the Amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not), as defined in MFRS 3 Business Combinations. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosures of Interests in Other Entities and MFRS 128 Investments in Associates and Joint Ventures

These Amendments addresses the following issues that have arisen in the application of the consolidation exception for investment entities:-

- Exemption from presenting consolidated financial statements:- the Amendments clarifies that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.
- Consolidation of intermediate investment entities:- the Amendments clarifies that only a subsidiary is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.
- Policy choice for equity accounting for investments in associates and joint ventures:- the Amendments allows a non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interest in subsidiaries, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture.

2.3 Significant Accounting Policies

(a) Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant Accounting Policies (Continued)

(a) Basis of Consolidation (Continued)

(i) Subsidiaries (Continued)

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Business combination

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Loss of control

Upon loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and other components of equity related to the former subsidiary from consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same ways as unrealised gains, but only to the extent that there is no evidence of impairment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant Accounting Policies (Continued)

(a) Basis of Consolidation (Continued)

(v) Goodwill

Goodwill arising on business combinations are measured at cost less any accumulated impairment losses. In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted associates.

Goodwill indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

(b) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.3(c).

Cost includes expenditure that is directly attributable to the acquisition of the asset. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The cost of replacing part of an item of property, plant and equipment is recognised in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised to profit or loss. All other repairs and maintenance are charged to profit or loss as incurred.

No depreciation is provided on freehold land. All other property, plant and equipment are depreciated on a straight line basis to write off the cost of each asset to its residual value over the estimated useful lives of the assets concerned. The annual rates used for this purpose are as follows:-

Building	3.33%
Office equipment, furniture and fittings	5% - 10%
Machinery	10%
Motor Vehicles	20%
Renovation	10%

The residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at end of the reporting period. The effects of any revisions of the residual values and useful lives are included in profit or loss for the financial year in which the changes arise.

Fully depreciated assets are retained in the accounts until the assets are no longer in use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the financial year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant Accounting Policies (Continued)

(c) Impairment

(i) *Impairment of Financial Assets*

All financial assets (except for financial assets categorised as fair value through profit or loss and investment in subsidiaries) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in the other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity and recognised to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(ii) *Impairment of Non-financial Assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash generating unit ("CGU") fair value less cost to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. Where the carrying amounts of an asset exceed its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.3 Significant Accounting Policies (Continued)****(c) Impairment (Continued)****(ii) Impairment of Non-financial Assets (Continued)**

An impairment loss is recognised in profit or loss in the period in which it arises.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed its carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

(d) Inventories

Inventories are valued by the management at the lower of cost and net realisable value.

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(e) Financial Instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contract provisions of the financial instrument.

A financial instrument is recognised initially, at its fair value, plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

The Group and the Company categorise the financial instruments as follows:

(i) Financial AssetsFinancial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss if they are held for trading, including derivatives, or are designated as such upon initial recognition.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised as other gains or losses in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant Accounting Policies (Continued)

(e) Financial Instruments (Continued)

(i) *Financial Assets (Continued)*

Loans and Receivables

Financial assets with fixed or determinable payments that are not quoted in an active market, trade and other receivables and cash and cash equivalents are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Held-to-maturity Investments

Financial assets with fixed or determinable payments and fixed maturity that are quoted in an active market and the Group have the positive intention and ability to hold the investment to maturity is classified as held-to-maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

(ii) *Financial Liabilities*

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated as fair value through profit or loss upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant Accounting Policies (Continued)

(e) Financial Instruments (Continued)

(iii) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are classified as deferred income and are amortised to profit or loss over the contractual period or, upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

(iv) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention the marketplace concerned.

A regular way purchase or sale of financial asset is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

- (a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
- (b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(v) Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired or is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

(f) Leases

(i) Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

Assets acquired by way of finance lease are stated at an amount equal to the lower of their fair values and the present value of minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses, if any. The corresponding liability is included in the statement of financial position as borrowings. In calculating the present value of minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Property, plant and equipment acquired under finance leases are depreciated over the shorter of the estimated useful lives of the asset and the lease term.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant Accounting Policies (Continued)

(f) Leases (Continued)

(i) Finance leases (Continued)

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance cost, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the statement of comprehensive income over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

(ii) Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Operating lease payments are recognised as an expense on a straight line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight line basis.

(g) Equity Instruments

Ordinary shares are recorded at the nominal value. The consideration in excess of nominal value of shares issued, if any, is accounted for as share premium. Both ordinary shares and share premium are classified as equity.

Dividends on ordinary shares are recognised as liabilities when proposed or declared before the reporting date. A dividend proposed or declared after the reporting date, but before the financial statements are authorised for issue, is not recognised as a liability at the reporting date.

Costs incurred directly attributable to the issuance of the shares are accounted for as a deduction from the share premium, if any, otherwise it is charged to profit or loss. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(h) Foreign currency transaction

Transactions in foreign currencies are translated into Ringgit Malaysia at rates of exchange ruling at transaction dates. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Ringgit Malaysia at the foreign exchange rates ruling at that date. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss.

Non-monetary items are measured in term of historical cost in a foreign currency or translated using the exchange rates as at the date of the initial transaction. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.

(i) Revenue Recognition

The Group recognised revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant Accounting Policies (Continued)

(i) Revenue Recognition (Continued)

(i) Sales of goods

Revenue is recognised upon delivery of products and customers' acceptance, net of discounts and returns and when the significant risk and rewards of ownership have been passed to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Interest income

Interest income is recognised on an accrual basis using the effective interest method in profit or loss.

(iii) Rental income

Rental income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

(iv) Dividend income

Dividend income is recognised when the right to receive payment is established.

(j) Income Tax

(i) Current tax

The tax expense in the profit or loss represents the aggregate amount of current tax and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

(ii) Deferred tax

Deferred tax is provided for, using the liability method, on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets, if any, is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant Accounting Policies (Continued)

(j) Income Tax (Continued)

(ii) *Deferred tax (Continued)*

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle its current tax assets and current tax liabilities on a net basis.

(k) Borrowing Costs

Borrowing costs are charged to profit or loss as an expense using the effective interest method in the period in which they are incurred.

(l) Employee Benefits

(i) *Short Term Employee Benefits*

Wages, salaries, bonuses, social security contribution and non-monetary benefits are recognised as an expense in the financial year in which the associated services are rendered by the employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave and maternity leave are recognised when absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(ii) *Post-Employment Benefits*

The Group contributes to the Employees' Provident Fund, the national defined contribution plan. The contributions are charged to statement of comprehensive income in the period to which they are related. Once the contributions have been paid, the Group has no further payment obligations.

(m) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basics EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own share held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Significant Accounting Policies (Continued)

(n) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(o) Cash and Cash Equivalents

For the purpose of statements of cash flows, cash and cash equivalents consist of cash in hand, demand deposits, balances with banks and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are stated net of deposit pledged with licensed banks and bank overdrafts which are repayable on demand.

(p) Fair Value measurements

Fair value of an asset or liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: Input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the director and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements made in applying the Group's accounting policies

There were no significant judgements made by management in the process of applying the accounting policies of the Group and of the Company which may have significant effect on the amount recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Key sources of estimation uncertainty

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

(i) Useful lives of property, plant and equipment

Management estimates the useful lives of the Group's property, plant and equipment to be within 5 to 30 years. The management estimates the useful lives of the property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets.

In addition, the estimation of the useful lives of property, plant and equipment are based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

(ii) Allowance for inventories

Reviews are made periodically by management on damaged, obsolete and slow moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the carrying value of inventories.

(iii) Impairment of investment in subsidiaries and recoverability of amount due from subsidiaries.

The Company tests investment in subsidiaries for impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary. The assessment of the net tangible assets of the subsidiaries affects the result of the impairment test. The impairment made on investments in subsidiaries entails impairment losses to be made to the amount due by these subsidiaries.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Group's tests for impairment of investment in subsidiaries.

(iv) Impairment of non-current assets

The Group reviews the carrying amount of its non-current assets, which include property, plant and equipment, to determine whether there is an indication that those assets have suffered an impairment loss in accordance with relevant accounting policies on the respective category of non-current assets. Independent professional valuations to determine the carrying amount of these assets will be procured when the need arise.

(v) Goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value used in the calculation requires the Group to estimate the future cash flows expected to arise from cash-generated unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Key sources of estimation uncertainty (Continued)

(vi) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

(vii) Income taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters are different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold Land and Building RM'000	Office Equipment, Furniture and Fittings RM'000	Machinery RM'000	Motor Vehicles RM'000	Renovation RM'000	Total RM'000
At Cost						
At 1st January 2013	3,518	1,312	1,029	1,504	36	7,399
Additions	-	78	126	454	40	698
Disposals	-	(16)	(572)	(225)	-	(813)
At 31st December 2013	3,518	1,374	583	1,733	76	7,284
Additions	-	175	232	543	541	1,491
Disposals	-	-	-	(302)	-	(302)
At 31st December 2014	3,518	1,549	815	1,974	617	8,473
Accumulated Depreciation						
At 1st January 2013	458	797	788	1,061	18	3,122
Depreciation for the financial year	70	99	84	229	7	489
Disposals	-	(16)	(564)	(225)	-	(805)
At 31st December 2013	528	880	308	1,065	25	2,806
Depreciation for the financial year	70	108	91	254	48	571
Disposals	-	-	-	(267)	-	(267)
At 31st December 2014	598	988	399	1,052	73	3,110
Carrying Amount						
At 31st December 2013	2,990	494	275	668	51	4,478
At 31st December 2014	2,920	561	416	922	544	5,363

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group

- a. The land and buildings with the carrying value of RM2,614,717/- (2013 : RM2,677,854/-) has been pledged to a licensed bank to secure the credit facilities granted to the subsidiaries.
- b. Motor vehicles with total carrying amount of RM349,097/- (2013 : RM332,525/-) were acquired under hire purchase arrangements.
- c. Included in property, plant and equipment are fully depreciated assets which are still in use, with cost as follows:-

	Group	
	2014 RM'000	2013 RM'000
Office equipment, furniture and fittings	334	304
Motor vehicles	931	779
Machinery	203	98
	1,468	1,181

5. INVESTMENTS IN SUBSIDIARIES

	Company	
	2014 RM'000	2013 RM'000
Unquoted shares - at cost	16,300	15,900

The Company's equity interest in the subsidiaries which are all incorporated in Malaysia and their respective principal activities are as follows:-

Name of Company	Effective Ownership Interest and Voting Interest		Principal Activities
	2014	2013	
	%	%	
Direct subsidiaries			
SCC Corporation Sdn. Bhd. ("SCCC")	100	100	Selling, marketing and distribution of livestock health products and clean feed solutions to feed mills and livestock industries; and selling, marketing and distribution of food service equipment, including provisions of installations, services and supply of ingredients and specialists products for food and beverage industries.
Anitox (M) Sdn. Bhd. ("ASB")	100	100	Sale, marketing and distribution of animal health products.
SCC Food Manufacturing Sdn. Bhd. ("SCCFM") *	100	100	Processing and purchasing products.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of Company	Effective Ownership Interest and Voting Interest		Principal Activities
	2014	2013	
	%	%	

Indirect subsidiaries

Subsidiary of SCC Corporation Sdn. Bhd.

Positive Insight Sdn. Bhd. ("PI") ^	100	-	Dormant
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* On 25th July 2014, the company further subscribed for 400,000 new ordinary shares of RM1.00/- each for a total consideration of RM400,000/- in SCC Food Manufacturing Sdn. Bhd. ("SCCFM").

^ On 6th August 2014, the company through its subsidiary, SCC Corporation Sdn. Bhd. ("SCCC"), acquired 2 ordinary shares of RM1.00/- each of Positive Insight Sdn. Bhd. ("PI"), a company incorporated in Malaysia for RM2/- representing 100% of equity interest in PI.

6. GOODWILL ON CONSOLIDATION

	Group	
	2014 RM'000	2013 RM'000

At the beginning/end of the financial year	8	8
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The recoverable amount of the cash generating unit ("CGU") has been determined based on value in use calculations using cash flow projections from financial budgets approved by management.

The calculation of value in use for the CGU is most sensitive to the following assumption:

- Budgeted gross margin - Gross margin of 25% are based on average values achieved in the past.
- Growth rate - The growth rate was assumed to be at 4% based on the expected projection of the food services supplies segments.
- Pre-tax discount rate - The discount rate of 8% used is pre-tax and reflects specific risks relating to relevant segments.

7. INVESTMENT SECURITIES

	Group	
	2014 RM'000	2013 RM'000

Market value of quoted investment		
Available-for-sale financial assets		
- Equity instruments	53	40

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. INVESTMENT SECURITIES (CONTINUED)

The movements are as below:

	Group	
	2014 RM'000	2013 RM'000
At the beginning of the financial year	40	55
Addition	2	-
Disposal	-	(22)
Fair value adjustment	11	7
At the end of the financial year	53	40

8. INVENTORIES

	Group	
	2014 RM'000	2013 RM'000
At Cost, Finished Goods:		
Foodservice equipment	4,136	2,003
Animal health products	1,141	1,634
Foodservice supplies	520	213
	5,797	3,850
Recognised in profit or loss:		
Inventories recognised as cost of sales	20,870	19,873
Reversal of write-down*	-	23

* The reversal of write down are included in cost of sales.

9. TRADE RECEIVABLES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade receivables	10,260	9,077	155	161
Less : Allowance for impairment	(144)	(353)	-	-
	10,116	8,724	155	161

Group

- a. The Group's normal trade credits range from 30 to 90 days (2013 : 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. TRADE RECEIVABLES (CONTINUED)

Group (Continued)

b. Ageing analysis of trade receivables

The ageing analysis of the Group's and Company's trade receivables are as follows:-

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Neither past due nor impaired	6,219	6,080	155	161
1 to 30 days past due but not impaired	2,803	1,349	-	-
31 to 60 days past due not impaired	515	718	-	-
61 to 90 days past due not impaired	184	224	-	-
91 to 120 days past due not impaired	96	276	-	-
More than 121 days past due not impaired	299	77	-	-
	3,897	2,644	-	-
Impaired	144	353	-	-
	10,260	9,077	155	161

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are unsecured in nature. These receivables are creditworthy receivables with good payments records with the Group.

Receivables that are past due but not impaired

At the reporting date, the Group has trade receivables amounting to RM3,897,412/- (2013 : RM2,643,472/-) that are past due but not impaired. Trade receivables that were past due but not impaired relate to customers that have good track records with the Group. Based on past experience and no adverse information to date, the directors of the Group are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been any significant change in the credit quality of the customers and the balances are still considered fully recoverable.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the impairment accounts used to record the impairment are as follows:-

	Group	
	2014 RM'000	2013 RM'000
Individually impaired		
Trade receivables		
- nominal amounts	5,114	3,762
Less : Allowance for impairment	(144)	(353)
	4,970	3,409

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. TRADE RECEIVABLES (CONTINUED)**Group (Continued)**

- b. Ageing analysis of trade receivables (Continued)

Receivables that are impaired (Continued)

Movement in allowance account:-

	Group	
	2014	2013
	RM'000	RM'000
At the beginning of the financial year	(353)	(339)
Allowance made during the financial year	(64)	(172)
Reversal of allowance for impairment losses	206	153
Written off	67	5
	<hr/>	<hr/>
At the end of the financial year	(144)	(353)

Company

The trade receivables represents an amount owing by subsidiaries. The amounts owing are unsecured, non-interest bearing and repayable on demand.

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Other receivables	222	543	-	-
Amount due from subsidiaries	-	-	6,233	3,998
Deposits	86	99	1	1
Prepayments	8	25	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	316	667	6,234	3,999

- a. The currency exposure profile of the other receivables, deposits and prepayments are as follows (foreign currency balances are unhedged):-

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
United States Dollar	215	493	-	-

- b. Amount due from subsidiaries are unsecured, non-interest bearing and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. DEPOSITS PLACED WITH LICENSED BANKS**Group**

Included in deposit placed with licensed banks of the Group are :-

- (a) Deposit amounting to RM Nil (2013 : RM1,032,705/-) are pledged to certain banks to secure banking facilities granted to the subsidiary.
- (b) Deposit amounting to RM5,502,524/- (2013: RM5,033,202/-) are placed with licensed investment banks and asset management companies in the form of units placed in money market funds.

The deposits placed with licensed banks earned effective interest rates ranging at 3.35% (2013 : 3.05% to 3.15%) per annum.

12. SHARE CAPITAL

	Group and Company			
	2014		2013	
	Number of Shares Units'000	RM'000	Number of Shares Units'000	RM'000

Ordinary shares of RM0.50 each

Authorised:

At the beginning/end of the financial year	200,000	100,000	200,000	100,000
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Issued and fully paid:

At the beginning/end of the financial year	42,757	21,379	42,757	21,379
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13. SHARE PREMIUM

The share premium is arrived at after accounting for the premium over the nominal value of shares issued to the public, less the subsequent capitalisation for bonus issue of the Company, if any.

14. FAIR VALUE RESERVE

	Group	
	2014 RM'000	2013 RM'000
At the beginning of the financial year	26	32
Fair value adjustment	11	7
Reversal of fair value reserve	-	(13)
At the end of the financial year	37	26

The fair value reserve comprises the cumulative fair value changes, net of tax, of available for sale financial assets until they are disposed of or impaired.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. HIRE PURCHASE PAYABLES

	Group	
	2014 RM'000	2013 RM'000
Future minimum hire purchase payments		
- not later than one year	96	60
- later than one year and not later than five years	190	206
	<hr/>	<hr/>
	286	266
Future finance charges	(19)	(24)
	<hr/>	<hr/>
Present value of hire purchase payables	267	242
	<hr/>	<hr/>
Represented by:		
Current		
- not later than one year	86	51
Non-current		
- later than one year and not later than five years	181	191
	<hr/>	<hr/>
	267	242
	<hr/>	<hr/>

The hire purchase payables bear interest at 3.63% to 3.92% (2013 : 3.71% to 4.22%) per annum.

16. DEFERRED TAX LIABILITIES

	Group	
	2014 RM'000	2013 RM'000
At the beginning of the financial year	130	158
Transferred from/(to) profit or loss	41	(28)
	<hr/>	<hr/>
At the end of the financial year	171	130
	<hr/>	<hr/>
Representing the tax effect of:-		
Temporary differences between the carrying amounts and the corresponding tax written down values	171	130
	<hr/>	<hr/>

17. TRADE PAYABLES**Group**

- a. The normal credit terms granted to the Group range from 30 to 90 days (2013 : 30 to 90 days).
- b. The foreign currency exposure profiles on the trade payable are as follows (foreign currency balances are unhedged):-

	Group	
	2014 RM'000	2013 RM'000
United States Dollar	150	289
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Other payables	125	42	-	1
Deposits	414	380	-	-
Accruals	490	404	114	119
	1,029	826	114	120

The foreign currency exposure profiles on the other payables, deposits and accruals are as follows (foreign currency balances are unhedged):-

	Group	
	2014 RM'000	2013 RM'000
United States Dollar	25	11

19. REVENUE

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Dividend income	-	-	4,813	4,590
Management fees	-	-	1,691	1,541
Trading sales:				
- foodservice equipment	26,363	22,540	-	-
- animal health products	15,708	15,987	-	-
- foodservice supplies	175	165	-	-
	42,246	38,692	6,504	6,131

Revenue represents trading sales of foodservice equipment, animal health products and foodservice supplies net of return and discount.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. OPERATING PROFIT

Profit before taxation is arrived at:-

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
After Charging:-				
Auditors' remuneration				
- statutory audit	50	41	14	15
- other services	-	5	-	-
Depreciation	571	489	-	-
Directors' remuneration:				
- Fees	72	72	72	72
- Salaries and bonus	2,356	2,270	779	698
- Employees' Provident Fund	189	228	93	84
Impairment loss on trade receivables	64	172	-	-
Realised loss on foreign exchange	-	1	-	-
Rental of premises	284	283	-	-
Staff costs:				
- Salaries, bonus, allowances and overtime	5,131	4,907	519	616
- Employees' Provident Fund	679	590	65	67
- Other related expenses	173	623	5	73
And Crediting:-				
Dividend income	1	1	-	-
Gain on disposal of property, plant and equipment	13	124	-	-
Interest income	371	449	132	230
Impairment loss on trade receivables no longer required	206	153	-	-
Reversal of inventories written down	-	23	-	-
Realised gain on foreign exchange	116	57	-	-
Rental income	167	165	-	-
Reversal of fair value reserve	-	13	-	-

21. TAXATION

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Income tax				
- current year	(2,369)	(1,846)	(56)	(20)
- (under)/over accrual in prior year	(31)	127	(6)	114
	(2,400)	(1,719)	(62)	94
Deferred tax				
- current year	(27)	2	-	-
- (under)/over accrual in prior year	(14)	26	-	-
	(41)	28	-	-
	(2,441)	(1,691)	(62)	94

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. TAXATION (CONTINUED)

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:-

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit before taxation	18,901	6,889	4,966	4,510
Taxation at applicable statutory tax rate of 25%	(4,725)	(1,722)	(1,242)	(1,128)
Tax effects of:				
- non-deductible expenditure	1,113	(131)	(17)	(40)
- double deduction	-	4	-	-
- non-taxable income	1,216	5	1,203	1,148
- (under)/over accrual in prior year	(45)	153	(6)	114
Tax expense for the financial year	(2,441)	(1,691)	(62)	94

The income tax is calculated at statutory rate of 25% of the estimated assessable profit for the financial year. In the budget speech 2014, the government announced that the domestic statutory corporate tax rate will be reduced to 24% from the current year's rate of 25% with effect from the year of assessment 2016.

22. EARNINGS PER SHARE

- a) Basic earnings per share of the Group is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares on issue during the financial year.

	2014	2013
Net profit attributable to owners of the Company (RM'000)	6,574	5,198
Weighted average number of ordinary share on issue (Unit'000)	42,757	42,757
Earning per share (sen)	15.38	12.16

- b) The Group has no dilutive potential ordinary shares. As such, there is no dilution effect on the earnings per share of the Group for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. DIVIDENDS

	Group and Company	
	2014	2013
	RM'000	RM'000
31st December 2013		
- interim single-tier dividend of 5 sen per ordinary share	-	2,138
- special single-tier dividend of 5 sen per ordinary share	-	2,138
	-	4,276
31st December 2014		
- interim single-tier dividend of 5 sen per ordinary share	2,138	-
- special single-tier dividend of 5 sen per ordinary share	2,138	-
	4,276	-
	4,276	4,276

24. SIGNIFICANT RELATED PARTY TRANSACTION

(a) Identification of Related Parties

A related party is an entity or person that directly or indirectly through one or more intermediary controls, is controlled by, or is under common or joint control with the Company or that has an interest in the Group and the Company that gives it significant influence over the Group's and the Company's financial operating policies. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence for which significant voting power in the Group and the Company resides with, directly or indirectly.

The nature of the relationship with the related parties is as follows:-

Related Parties	Relationship
SCC Corporation Sdn. Bhd.	Subsidiary
Anitox (M) Sdn. Bhd.	Subsidiary
SCC Food Manufacturing Sdn. Bhd.	Subsidiary
McDota (M) Sdn. Bhd.	A Company in which certain directors have substantial interest
Cher Hwee Seng @ Chee Long Sing	A director of the Company

(b) Significant Related Party Transactions

In the normal course of business, the Group and the Company undertake transactions with some of its related parties listed above. Set out below are the significant related party transactions for the financial year (in addition to related party disclosures mentioned elsewhere in the financial statements).

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Management fees received				
- SCC Corporation Sdn. Bhd.	-	-	1,296	1,172
- Anitox (M) Sdn. Bhd.	-	-	387	368
- SCC Food Manufacturing Sdn. Bhd.	-	-	8	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. SIGNIFICANT RELATED PARTY TRANSACTION

(b) Significant Related Party Transactions (Continued)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Dividend income received				
- SCC Corporation Sdn. Bhd.	-	-	3,213	2,190
- Anitox (M) Sdn. Bhd.	-	-	1,600	2,400
Rental paid				
- McDota (M) Sdn. Bhd.	36	36	-	-
- Mr. Cher Hwee Seng	36	36	-	-

(c) Key Management Personnel Compensation

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Directors				
Fees	72	72	72	72
Salaries and Bonus	2,356	2,270	779	698
Employees' Provident Fund	189	228	93	84
	2,617	2,570	944	854
Other key management personnel compensation				
Salaries and Bonus	1,664	1,685	519	305
Employees' Provident Fund	201	182	63	21
	1,865	1,867	582	326

Key management personnel are defined as those persons other than the directors of the Company having the authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly.

25. SEGMENTAL INFORMATION

a. General Information

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

- (i) Foodservice equipment segment includes all industrial-grade equipment used to aid the final preparation and delivery of meals to customers. Foodservice equipment are highly specialised for application in large kitchens and are suited for the use of restaurants, cafes, fast food joints and other foodservice providers.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. SEGMENTAL INFORMATION (CONTINUED)

a. General Information (Continued)

- (ii) Feed additives segment are substances added in small or micro quantities to macronutrient of animal feed to provide specific health or nutrition effects in a concentrated manner and can be categorised into antibiotic feed additives and non-antibiotic feed additives.
- (iii) Other reportable segments are all others activities other than the above reportable segments.

b. Measurement of Reportable Segments

Segment profit or loss is profit earned or loss incurred by each segment without allocation of central administrative costs, finance costs and income tax expense.

All the Group's assets are allocated to reportable segments other than assets used centrally for the Group, current and deferred tax assets. Jointly used assets are allocated on the basis of the revenues earned by individual segments. All the Group's liabilities are allocated to reportable segments other than liabilities incurred centrally for the Group, current and deferred tax liabilities. Jointly incurred liabilities are allocated in proportion to the segment assets.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

2014	Foodservice Equipment RM'000	Animal Health Products RM'000	Others RM'000	Total RM'000	Inter- Segment Elimination RM'000	Consolidated RM'000
Revenue						
External sales	26,538	15,708	-	42,246	-	42,246
Inter-segment						
- sales	3,491	18	-	3,509	(3,509)	-
- management fees received	-	-	1,691	1,691	(1,691)	-
- dividend income	-	-	4,813	4,813	(4,813)	-
Total Revenue	30,029	15,726	6,504	52,259	(10,013)	42,246
Results						
Other income						
- Interest income	164	75	132	371	-	371
- Rental income	99	211	-	310	(143)	167
- Misc income	199	30	-	229	-	229
Impairment loss on trade receivables	(64)	-	-	(64)	-	(64)
Impairment loss on trade receivables no longer required	206	-	-	206	-	206
Depreciation	(386)	(185)	-	(571)	-	(571)
Finance costs	(11)	(2)	-	(13)	-	(13)
Taxation expenses	(1,500)	(879)	(62)	(2,441)	-	(2,441)
Unallocated corporate expenses	(23,972)	(13,122)	(1,675)	(38,769)	5,213	(33,556)
Segment profit	4,764	1,854	4,899	11,517	(4,943)	6,574

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. SEGMENTAL INFORMATION (CONTINUED)

b. Measurement of Reportable Segments (Continued)

2014	Foodservice Equipment RM'000	Animal Health Products RM'000	Others RM'000	Total RM'000	Inter- Segment Elimination RM'000	Consolidated RM'000
Assets						
Additions to non-current assets	857	449	185	1,491	-	1,491
Tax Recoverable	-	-	67	67	-	67
Segment assets	20,202	10,580	4,376	35,158	-	35,158
	21,059	11,029	4,628	36,716	-	36,716
Liabilities						
Deferred tax liabilities	98	51	22	171	-	171
Segment liabilities	1,589	832	344	2,765	-	2,765
	1,687	883	366	2,936	-	2,936
2013						
Revenue						
External sales	22,705	15,987	-	38,692	-	38,692
Inter-segment - sales	742	107	-	849	(849)	-
- management fees received	-	-	1,540	1,540	(1,540)	-
- dividend income	-	-	4,590	4,590	(4,590)	-
Total Revenue	23,447	16,094	6,130	45,671	(6,979)	38,692
Results						
Other income						
- Interest income	231	158	60	449	-	449
- Rental income	142	98	37	277	(112)	165
- Misc income	543	373	142	1,058	(842)	216
Impairment loss on trade receivables	(88)	(61)	(23)	(172)	-	(172)
Impairment loss on trade receivables no longer required	78	54	21	153	-	153
Depreciation	(251)	(172)	(66)	(489)	-	(489)
Finance costs	(4)	(2)	(1)	(7)	-	(7)
Taxation expenses	(868)	(596)	(227)	(1,691)	-	(1,691)
Unallocated corporate expenses	(18,189)	(12,486)	(4,756)	(35,431)	3,313	(32,118)
Segment profit	5,041	3,460	1,317	9,818	(4,620)	5,198

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. SEGMENTAL INFORMATION (CONTINUED)

b. Measurement of Reportable Segments (Continued)

2013	Foodservice Equipment RM'000	Animal Health Products RM'000	Others RM'000	Total RM'000	Inter- Segment Elimination RM'000	Consolidated RM'000
Assets						
Additions to non-current assets	358	246	94	698	-	698
Tax Recoverable	30	21	8	59	-	59
Segment assets	16,873	11,581	4,411	32,865	-	32,865
	17,261	11,848	4,513	33,622	-	33,622
Liabilities						
Deferred tax liabilities	67	46	17	130	-	130
Segment liabilities	1,038	712	271	2,021	-	2,021
	1,105	758	288	2,151	-	2,151

c. Geographical Segment

The activities of the Group are carried out mainly in Malaysia and as such, segmental reporting by geographical location is not presented.

d. Information About Major Customers

Major customers' information are revenues from transactions with a single external customer amount to ten percent or more of the Group revenue. A group of entities known to a reporting entity to be under common control shall be considered a single customer, and entities known to the reporting entity to be under the control of that government shall be considered a single customer.

The following are major customers with revenue equal or more than 10% of the Group's total revenue arising from the Foodservice Equipment segment:-

	Revenue	
	2014 RM'000	2013 RM'000
- Customer A	6,519	5,060
- Customer B	5,744	2,522

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. FINANCIAL INSTRUMENTS

(a) Classification of Financial Instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

Group 2014	Loan and receivables RM'000	Available for sale RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Financial assets				
Investment securities	-	53	-	53
Trade receivables	10,116	-	-	10,116
Other receivables and deposit	308	-	-	308
Deposits placed with licensed banks	10,370	-	-	10,370
Cash and bank balances	4,626	-	-	4,626
	25,420	53	-	25,473
Financial liabilities				
Trade payables	-	-	450	450
Other payables, deposit and accruals	-	-	1,029	1,029
Hire purchase payables	-	-	267	267
	-	-	1,746	1,746
2013				
Financial assets				
Investment securities	-	40	-	40
Trade receivables	8,724	-	-	8,724
Other receivables and deposit	642	-	-	642
Deposits placed with licensed banks	11,404	-	-	11,404
Cash and bank balances	4,392	-	-	4,392
	25,162	40	-	25,202
Financial liabilities				
Trade payables	-	-	430	430
Other payables, deposit and accruals	-	-	826	826
Hire purchase payable	-	-	242	242
	-	-	1,498	1,498

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Classification of Financial Instruments (Continued)

Company 2014	Loan and receivables RM'000	Available for sale RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Financial assets				
Trade receivables	155	-	-	155
Amount due from subsidiaries	6,233	-	-	6,233
Deposits	1	-	-	1
Deposits placed with licensed banks	2,627	-	-	2,627
Cash and bank balances	351	-	-	351
	9,367	-	-	9,367
Financial liabilities				
Accruals	-	-	114	114
2013				
	RM'000	RM'000	RM'000	RM'000
Financial assets				
Trade receivables	161	-	-	161
Amount due from subsidiaries	3,998	-	-	3,998
Deposits	1	-	-	1
Deposits placed with licensed banks	4,822	-	-	4,822
Cash and bank balances	171	-	-	171
	9,153	-	-	9,153
Financial liabilities				
Other payables and accruals	-	-	120	120

(b) 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.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair Value Information (Continued)

2014 Group	Fair value of financial instruments carried at fair value				Total RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000			
Financial assets						
Investment securities	53	-	-		53	53
2013 Group						
Financial assets						
Investment securities	40	-	-		40	40

Policy on transfer between levels.

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted price included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfer between level 1 and level 2

There is no transfer between level 1 and 2 fair values during the financial year.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The operations of the Group and of the Company are subject to a variety of financial risks, including credit risk, liquidity risk and market risk. The Group and the Company have adopted a financial risk management framework whose principal objective is to minimise the Group's and the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and of the Company.

(i) Credit Risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises primarily from trade and receivables. The Company's exposure to credit risk arises principally from loan and advances to subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(i) Credit Risk (Continued)

The management has in place a credit procedure to monitor and minimise the exposure of default. Trade and other receivables are monitored on a regular and an ongoing basis. Credit evaluations are performed on all customers requiring credit over certain amount.

a. Exposure to credit risk

At the reporting date, the Group's and Company's maximum exposure to credit risk is represented by the carrying amount of trade and other receivables recognised in the statements of financial position.

Information regarding credit enhancement for trade receivables is disclosed in Note 9 to the financial statements.

Deposits placed with licensed banks and other financial institutions and investment securities are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

b. Credit risk concentration profile

The group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The group's trade receivables credit risk is concentrated in Malaysia.

c. Inter company balances

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

d. Financial guarantees

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

As at the reporting date, the subsidiary has not utilised the said banking facilities granted to certain subsidiaries.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

(ii) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

Maturity analysis

The maturity profile of the Group's and the Company's financial liabilities based on undiscounted contractual repayment at the reporting date are as follows:

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(ii) Liquidity Risk (Continued)

	← Contractual Undiscounted Cash Flows →				Total RM'000
	Carrying amount RM'000	On demand or within 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	
2014					
Group					
Financial liabilities					
Trade payables	450	450	-	-	450
Other payables, deposits and accruals	1,029	1,029	-	-	1,029
Hire purchase payables	267	96	190	-	286
	1,746	1,575	190	-	1,765
Company					
Financial liabilities					
Accruals	114	114	-	-	114
2013					
Group					
Financial liabilities					
Trade payables	430	430	-	-	430
Other payables, deposits and accruals	826	826	-	-	826
Hire purchase payables	242	60	206	-	266
	1,498	1,316	206	-	1,522
Company					
Financial liabilities					
Other payables and accruals	120	120	-	-	120

(iii) Market Risk

Market risk is the risk that changes in market prices, such as foreign currency rates, interest rates and other prices that will affect the Group's financial position or cash flows.

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group manages the net exposure to interest rate risks by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis. The Management does not enter into interest rate hedging transactions as the cost of such instruments outweighs the potential risk of interest rate fluctuation.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(iii) Market Risk (Continued)****(a) Interest Rate Risk (Continued)**

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:-

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Fixed rate instruments				
Financial liabilities				
Hire purchase payables	267	242	-	-
Financial assets				
Deposits placed with licensed bank	10,370	11,404	2,627	4,822

Sensitivity analysis for interest rate risk

- Sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities and a change in interest rates at the end of the reporting period would not affect the Group's profit or loss.

(b) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily RM. The foreign currencies in which these transactions are denominated are mainly US Dollar ("USD"). The Group's trade receivable and trade payable balance at the reporting date have similar exposure.

The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances (mainly in USD) amounting to RM289,274/- (2013 : RM16,355/-) for the Group.

Sensitivity analysis for foreign currency risk

A sensitivity analysis had been performed to determine the sensitivity of the Group's profit net of tax to a reasonably possible change in the foreign exchange rates against the respective functional currencies of the Group's entities. This analysis assumes that all other variables, in particular interest rates, remain constant. Based on the analysis, there is no material impact on the Group's profit net of tax on potential fluctuation of foreign currencies relevant to the Group.

(c) Market Price Risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(iii) Market Risk (Continued)****(c) Market Price Risk (Continued)**

The Group is exposed to equity price risk arising from its investment in quoted equity instruments. The quoted equity instruments in Malaysia are listed in the Bursa Malaysia. These instruments are classified as held for sale financial assets.

A change in market price rates at the end of the reporting period would not have significant impact that affect the Group's profit or loss.

28. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 25th July 2014, the company further subscribed 400,000 of new ordinary shares of RM1.00/- each for a total consideration of RM400,000/- in SCC Food Manufacturing Sdn. Bhd. ("SCCFM").
- (b) On 6th August 2014, the company through its subsidiary, SCC Corporation Sdn. Bhd. ("SCCC"), acquired 2 ordinary shares of RM1.00/- each of Positive Insight Sdn. Bhd. ("PI"), a company incorporated in Malaysia for RM2/- representing 100% of equity interest in PI.

29. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to build and maintain a strong capital base so as to maintain healthy capital ratios and at the same time be able to leverage on the capital to provide the funds to fund their expansion and growth.

The Group and the Company manage their capital structure, and make adjustment to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares, raise new debts and reduce existing debts.

The Group and the Company monitor the level of dividends to be paid to shareholders. The Company's objectives are to pay out regular dividends to the shareholders based on the level of the Group's and the Company's profitability and cash flows.

The capital structure of the Group and of the Company consists of equity attributable to owners of the Company, comprising share capital, retained earnings and total liabilities.

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total liabilities	2,936	2,151	114	120
Equity attributable to owners of the Company	33,780	31,471	25,620	24,992
Gearing ratio	8.69%	6.83%	0.44%	0.48%

There were no changes in the Group's approach to the capital management during the financial year.

The Group is also required to comply with the disclosure and necessary capital requirements as prescribed in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

On 25th March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained profits or accumulated losses as at the end of the reporting date, into realised and unrealised profits and losses.

On 20th December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

Pursuant to the directive, the amounts of realised and unrealised profits or losses included in the retained earnings of the Group and the Company as at 31st December 2014 are as follows:-

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total retained earnings of SCC Holdings Berhad				
Realised	22,046	19,552	1,574	946
Unrealised	(118)	(52)	-	-
	21,928	19,500	1,574	946
Less: Consolidation adjustments	(12,231)	(12,101)	-	-
	9,697	7,399	1,574	946

The determination of realised and unrealised profits is based on Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20th December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

ANALYSIS OF SHAREHOLDINGS

AS AT 24 APRIL 2015

SHARE CAPITAL

Authorised Share Capital	:	RM100,000,000 divided into 200,000,000 ordinary shares of RM0.50 each
Issued and Fully Paid-up Capital	:	RM21,378,500 divided into 42,757,000 ordinary shares of RM0.50 each
Class of Shares	:	Ordinary shares of RM0.50 each
Voting Rights	:	One vote per ordinary share

SHAREHOLDING DISTRIBUTION SCHEDULE (AS PER THE RECORD OF DEPOSITORS)

No. of Shareholders	Size of Shareholdings	No. of Shares Held	% of Shares
12	Less than 100	252	*
97	100 to 1,000	74,600	0.17
566	1,001 to 10,000	3,076,200	7.20
219	10,001 to 100,000	6,669,981	15.60
36	100,001 to less than 5% of issued shares	14,179,892	33.16
4	5% and above of the issued shares	18,756,075	43.87
934	TOTAL	42,757,000	100

* Less than 0.01%

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (AS PER THE RECORD OF DEPOSITORS)

Name of Shareholders	No. of Shares Held	Percentage (%)
1. Cher Sew Seng	5,878,136	13.75
2. Chee Long Sing @ Cher Hwee Seng	5,000,000	11.69
3. Chee Long Sing @ Cher Hwee Seng	4,299,016	10.05
4. Goh Ah Heng @ Goh Keng Chin	3,578,923	8.37
5. Soh Kian Teck	1,800,384	4.21
6. Chu Sou Taik	1,326,197	3.10
7. Ong Gee Leng	1,254,671	2.93
8. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for RHB-OSK Small Cap Opportunity Unit Trust (3548)	1,183,200	2.77
9. Tee Meng Hock	1,095,056	2.56
10. Tee Meng Hock	909,056	2.13
11. Affin Hwang Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Lin Chai Chin	848,060	1.98
12. Chu Sou Taik	688,000	1.61
13. Moke Ah Kow	350,000	0.82
14. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ting Siew Pin (8118995)	348,700	0.82
15. Cher Chou Chiang	300,000	0.70
16. Toh Kam Choy	289,000	0.68
17. Tey Ser Kok @ Teh Ser Kok	250,000	0.58
18. Cher Lip Chun	249,940	0.58
19. Goh Foi Tee	230,000	0.54
20. HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yee Kim Ee (CCTS)	223,400	0.52

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 24 APRIL 2015

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (AS PER THE RECORD OF DEPOSITORS) (CONTINUED)

Name of Shareholders	No. of Shares Held	Percentage (%)
21. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for RHB-OSK Emerging Opportunity Unit Trust	223,000	0.52
22. Low Kwi Yeen	200,000	0.47
23. Look Kan Chai @ Look Shee Kiem	200,000	0.47
24. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for RHB-OSK Smart Income Fund (4694-004)	180,000	0.42
25. Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Mak Tian Meng (MY0343)	151,600	0.35
26. Siow Kin Leong	150,000	0.35
27. Ng Inn Jwee	150,000	0.35
28. Kor Beng	150,000	0.35
29. Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Roy Soon (Tan8615M)	150,000	0.35
30. Dahlan bin Mohd Rasaid	133,000	0.31
TOTAL	31,789,339	74.33

SUBSTANTIAL SHAREHOLDERS (AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

NAME OF SHAREHOLDERS	DIRECT	NO. OF SHARES HELD		%
		%	INDIRECT	
1. Chee Long Sing @ Cher Hwee Seng	9,299,016	21.75	42,421 [#]	0.10
2. Cher Sew Seng	5,878,136	13.75	-	-
3. Goh Ah Heng @ Goh Keng Chin	3,578,923	8.37	-	-

Notes:-

[#] Deemed interest by virtue of his direct shareholdings in Kumsan Enterprise (M) Sdn Bhd pursuant to Section 6A of the Companies Act, 1965

DIRECTORS' SHAREHOLDINGS (AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS)

NAME OF DIRECTORS	DIRECT	NO. OF SHARES HELD		%
		%	INDIRECT	
1. Chee Long Sing @ Cher Hwee Seng	9,299,016	21.75	187,421 [#]	0.44
2. Cher Sew Seng	5,878,136	13.75	525,000 [*]	1.23
3. Goh Ah Heng @ Goh Keng Chin	3,578,923	8.37	-	-
4. Dato' Ismail bin Hamzah	-	-	-	-
5. Dato' Dr Choong Tuck Yew	20,000	0.05	-	-
6. Dr Goy Hong Boon	-	-	-	-
7. Cher Lip Chun	249,940	0.58	20,000 a [^]	0.05
8. Chu Soo Meng	30,000	0.07	-	-

Notes:-

^{*} Deemed interest by virtue of his spouse's and children's direct shareholdings in SCC.

[#] Deemed interest by virtue of his direct shareholdings in Kumsan Enterprise (M) Sdn Bhd pursuant to Section 6A of the Companies Act, 1965 and by virtue of his spouse's and child's direct shareholdings in SCC.

[^] Deemed interest by virtue of his spouse's direct shareholdings in SCC.

LIST OF PROPERTIES

Location of Property	Description (Existing Use)	Land Area Buildup Area (Sq ft.)	Tenure	Age of Building	Net Book Value as at 31.12. 2014	Date of acquisition
No. 93, Jalan Pendamar 27/90 Seksyen 27 40400 Shah Alam (PT No 4782)	Company Warehouse 1+1/2 storey factory	9,430 / 5,835	Freehold	18 years	RM794,587	June 1994
No. 58, Jalan Kapar 27/89, Seksyen 27, 40400 Shah Alam (PT No 4823)	Company Warehouse/ factory 1+1/2 storey factory	4,680 / 3,888	Freehold	8 years	RM403,270	June 2005
No. 54, Jalan Kapar 27/89, Seksyen 27 40400 Shah Alam (PT No 4825)	Company Warehouse 1+1/2 storey factory	4,680 / 3,888	Freehold	8 years	RM403,270	June 2005
No. 138, Jalan Kapar 27/89 Seksyen 27 40400 Shah Alam (PT No 4742)	Rented out 3 storey Industrial Showroom	4,680 / 6,383	Freehold	12 years	RM 369,843	March 1999
No. 140 Jalan Kapar 27/89, Seksyen 27 40400 Shah Alam (PT No 4741)	Rented out 3 storey Industrial Showroom	4,680 / 6,383	Freehold	12 years	RM355,336	March 1999
No. 15 & 15A Jalan Hujan, Taman Oversea Union, 58200 Kuala Lumpur (Lot 9383)	Company Office Double Story Shoplot	1,600 / 3,200	Freehold	44 years	RM303,703	October 1992
No. 91, Jalan Pendamar 27/90, Seksyen 27 40400 Shah Alam (PT No 4783)	Company Warehouse 1+1/2 storey factory	4,680 / 3,735	Freehold	18 years	RM288,412	June 1994

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifteenth (15th) Annual General Meeting of SCC HOLDINGS BERHAD will be held at Swan II, 7th Floor, Pearl International Hotel, Batu 5, Jalan Klang Lama 58000 Kuala Lumpur on **Thursday, 25 June 2015** at **2.30 p.m.** for the following purposes:-

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2014 and the Directors and Auditors Reports thereon. **(Ordinary Resolution 1)**
2. To approve the payment of Directors' fees of RM72,000 for the financial year ended 31 December 2014. **(Ordinary Resolution 2)**
3. To re-elect the following Directors who retire pursuant to Article 90 of the Company's Articles of Association:-
 - (i) Dato' Ismail bin Hamzah **(Ordinary Resolution 3)**
 - (ii) Dr. Goy Hong Boon **(Ordinary Resolution 4)**
4. To consider and if thought fit, to pass the following Ordinary Resolutions in accordance with Section 129 (6) of the Companies Act, 1965:-
 - (i) "THAT pursuant to Section 129(6) of the Companies Act, 1965, Mr Chee Long Sing @ Cher Hwee Seng who is over the age of 70 and retires pursuant to Section 129(2) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting." **(Ordinary Resolution 5)**
 - (ii) "THAT pursuant to Section 129(6) of the Companies Act, 1965, Dato' Dr. Choong Tuck Yew who is over the age of 70 and retires pursuant to Section 129(2) of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting." **(Ordinary Resolution 6)**
5. To re-appoint Messrs Baker Tilly Monteiro Heng as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 7)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution:

6. **Authority To Issue Shares Pursuant To Section 132D Of The Companies Act, 1965** **(Ordinary Resolution 8)**

"THAT subject to Section 132D of the Companies Act, 1965 and approvals of the relevant government/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten percentum (10%) of the total issued and paid up share capital of the Company for the time being and the Directors be and also empowered to obtain approval for the listing and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."
7. To transact any other business for which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

By Order of the Board
SCC HOLDINGS BERHAD

WONG KEO ROU (MAICSA 7021435)

Company Secretary
Kuala Lumpur

29 May 2015

Notes:-

1. A member of the Company entitled to attend and vote at this meeting may appoint one or more proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149 (1) (b) of the Companies Act 1965 shall not apply to the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a General Meeting of the Company shall have the same rights as the member to speak at the General Meeting.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
3. Where a member is an authorised nominee as defined under the Central Depositories Act, 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
4. Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ('omnibus account') there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the common seal or under the hand of an officer or attorney duly authorised.
6. To be valid the proxy form duly completed must be deposited at the registered office at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
7. In respect of deposited securities, only Members whose names appear in the Record of Depositors on 16 June 2015 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 15th Annual General Meeting.

NOTES ON SPECIAL BUSINESS

Ordinary Resolution No. 8 - Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965

The proposed Ordinary Resolution 8, if passed, will empower the Directors of the Company to issue and allot shares in the Company from time to time and for such purposes as the Directors consider would be in the best interest of the Company. This Renewed Mandate will, unless revoked or varied by the Company in general meeting, expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this Notice, no shares had been issued and allotted since the general mandate granted to the Directors at the last Annual General Meeting held on 26 June 2014 and this authority will lapse at the conclusion of the Fifteenth Annual General Meeting of the Company.

The Renewed Mandate will provide flexibility to the Company to raise funds, including but not limited to placing of shares, for purpose of funding future investment projects and/or working capital and/or acquisitions.



SCC HOLDINGS BERHAD (511477-A)

(Incorporated in Malaysia)

No of shares held

FORM OF PROXY

I/We (NRIC No./Co. No/Passport No.....)
(FULL NAME IN BLOCK LETTERS)

of
(ADDRESS)

being a member/members of **SCC HOLDINGS BERHAD** (511477-A), hereby appoint

..... (NRIC No./Passport No.....)
(FULL NAME IN BLOCK LETTERS)

of
(ADDRESS)

or failing him..... (NRIC No./Passport No.....)
(FULL NAME IN BLOCK LETTERS)

of
(ADDRESS)

or failing him, the **CHAIRMAN OF THE MEETING** as my/our proxy to vote for me/us on my/our behalf at the 15th Annual General Meeting of the Company to be held at Swan II, 7th Floor, Pearl International Hotel, Batu 5, Jalan Klang Lama 58000 Kuala Lumpur on **Thursday, 25 June 2015** at **2.30 p.m.** and at any adjournment thereof.

ORDINARY RESOLUTION		FOR	AGAINST
1.	Receive the Audited Financial Statements of the Company for the financial year ended 31 December 2014 and the Directors' and Auditors' Reports thereon		
2.	Payment of Directors' Fees		
3.	Re-election of Dato' Ismail bin Hamzah		
4.	Re-election of Dr. Goy Hong Boon		
5.	Re-appointment of Mr Chee Long Sing @ Cher Hwee Seng		
6.	Re-appointment of Dato' Dr. Choong Tuck Yew		
7.	Re-appointment of Auditors		
8.	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965		

(Please indicate with an "X" in the space provided on how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Dated this day of 2015.

.....
Signature(s) of member(s)

Notes:-

- A member of the Company entitled to attend and vote at this meeting may appoint one or more proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149 (1) (b) of the Companies Act 1965 shall not apply to the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a General Meeting of the Company shall have the same rights as the member to speak at the General Meeting.
- 2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
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- 4. Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ('omnibus account') there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- 5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the common seal or under the hand of an officer or attorney duly authorised.
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- 7. In respect of deposited securities, only Members whose names appear in the Record of Depositors on 16 June 2015 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 15th Annual General Meeting.

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THE COMPANY SECRETARY
SCC HOLDINGS BERHAD (511477-A)
NO. 2-1, JALAN SRI HARTAMAS 8,
SRI HARTAMAS,
50480 KUALA LUMPUR
WILAYAH PERSEKUTUAN (KL)

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