SCC HOLDINGS BERHAD

511477-A

ANNUAL REPORT 2015

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

OUR VISION

Together we build green and wellness enterprises

OUR MISSION

We strive to lead more people toward green and healthy living

CONTENTS

OUR CORE VALUES

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.

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

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

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.

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

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.

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
(511477-A)

ANITOX (M) SDN BHD
(213921-M)
100%

SCC CORPORATION SDN BHD
(17769-T)
100%

SCC FOOD MANUFACTURING SDN BHD
(794195-W)
100%

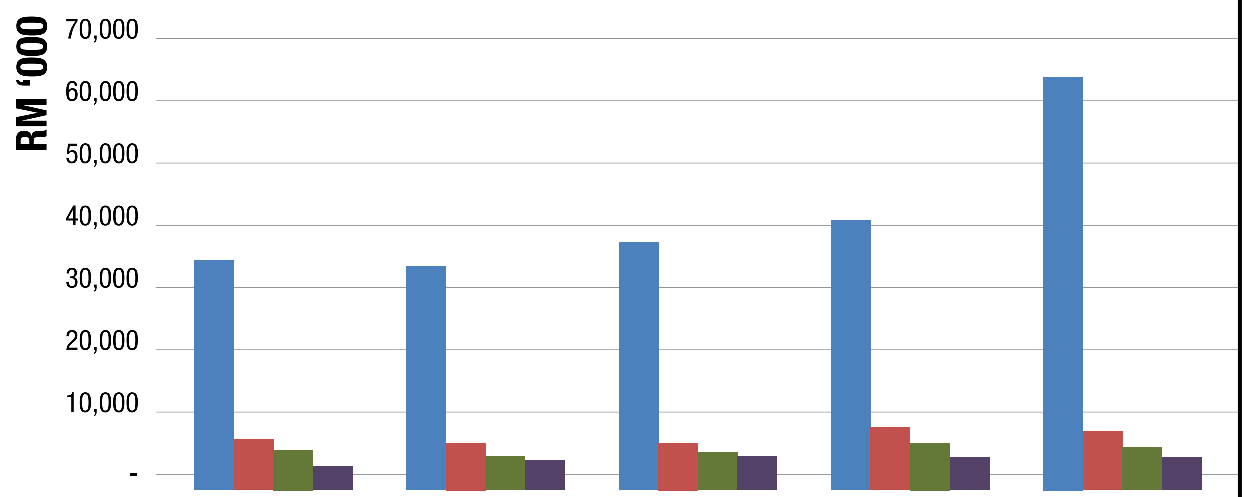
POSITIVE INSIGHT SDN BHD
(1100136-D)
100%

KNOWLEDGE MISSION SDN BHD
(1132220-M)
100%

FINANCIAL HIGHLIGHTS

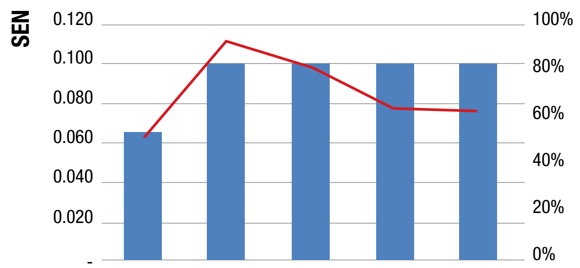
	FORMAT	2011	2012	2013	2014	2015
Revenue	RM '000	35,624	34,973	38,692	42,246	**60,374**
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	RM '000	7,253	6,156	6,936	9,228	**8,982**
Profit For The Year Attributable to Equity Holders	RM '000	5,202	4,576	5,198	6,574	**6,406**
Profit For The Year Margin	%	14.60	13.08	13.43	15.56	**10.61**
Shareholders' Equity	RM '000	33,037	30,555	31,471	33,780	**35,924**
Return On Shareholders' Equity	%	15.75	14.98	16.52	19.46	**17.83**
Basic Earnings Per Share	SEN	12.17	10.70	12.16	15.38	**14.98**
Interim and Special Dividend Per Share	SEN	6.50	10.00	10.00	10.00	**10.00**

SCC HOLDINGS BERHAD EARNING TREND



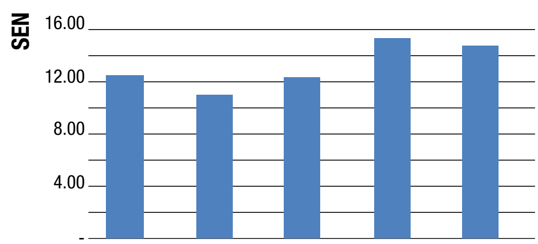
	2011	2012	2013	2014	2015
Revenue	35,624	34,973	38,692	42,246	60,374
Group PBT	7,211	6,345	6,889	9,015	8,806
Group PAT	5,202	4,576	5,198	6,574	6,406
Dividend	2,779	4,276	4,276	4,276	4,276

SCC HOLDINGS BERHAD DIVIDEND TREND



	2011	2012	2013	2014	2015
Dividend/Share	0.065	0.100	0.100	0.100	0.100
Div/% of PAT	53.42%	93.38%	82.26%	65.04%	63.73%

SCC HOLDINGS BERHAD EPS (SEN) TREND



	2011	2012	2013	2014	2015
EPS (SEN)	12.17	10.71	12.16	15.38	14.98

DIRECTORS' PROFILE

CHEE LONG SING @ CHER HWEE SENG (BEN CHER)
Executive Chairman
Malaysian
Aged 72

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 43 years of experience in the animal health products and 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)
Managing Director
Malaysian
Aged 66

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 38 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
Executive Director
Malaysian
Aged 70

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 38 years of experience in the animal health products and foodservice equipment industries.

DIRECTORS' PROFILE

CHU SOO MENG
Executive Director
Malaysian
Aged 51

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 since 2007. Mr Chu has more than 31 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.

CHER LIP CHUN (ADAM CHER)
Executive Director
Malaysian
Aged 40

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 11 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
Independent
Non-Executive Director
Malaysian
Aged 70

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, JKG Land Berhad and GUH Holdings Berhad as well as the Independent Non-Executive Chairman of Engtex Group Berhad.

DATO' DR. CHOONG TUCK YEW
Independent
Non-Executive Director
Malaysian
Aged 77

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 Committees 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.

DR. GOY HONG BOON
Independent
Non-Executive Director
Malaysian
Aged 44

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 is a corporate consultant with extensive experience in the field of local and international capital markets and information communication technology sector. In 1995, He started his career as corporate finance manager with Yamaichi, an International Investment Bank with advisory division in Malaysia, his last held position was head of corporate finance unit, where he assisted several large corporations and GLC on fund raising via international financial markets. Later, he joined a leading local financial firm as Vice President for Business Development and Corporate Advisory. Subsequently, he ventured into numerous ICT businesses before setting up his own consulting business specializing in merger & acquisition, corporate restructuring and pre-IPO as well as project fund raising for SME company.

He graduated with a Bachelor degree in Business Administration, in 1992 from American Intercontinental University of London (presently known as Regent's University of London). He also holds an MBA from Oklahoma City University graduated in 1994. He also possesses a Doctorate degree (DBA) in Strategic Management from Northwest University. He was awarded a Master of Financial Management (MFP) certification from American Academy of Financial Management. He is member of Chartered Audit Committee Director from 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.

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 2015 ("FYE 2015").

GROUP PERFORMANCE

For FYE 2015, the Group's sales revenue recorded an increase of 42.89% to RM60.37 million as compared to the RM42.25 million for the financial year ended 31 December 2014 ("FYE2014"). The improvement in revenue is mainly contributed by the new commodity product introduced to the market during the financial period that brings in RM13.5 million of revenue.

Even though with the higher revenue recorded for the FYE 2015, SCC Group only achieved a profit before tax and profit after taxation of RM8.81 million and RM6.41 million respectively, a reduction of 2.33% to the profit before tax and 2.44% to the profit after tax as compared to RM9.02 million and RM6.57 million achieved during the FYE 2014 respectively, due to higher cost of doing business led by depreciation of the Ringgit Malaysia.

FINANCIALS AND 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 FYE 2015.

REVIEW OF OPERATIONS

Animal Health Product Division ("AHPD")

The sales performance of AHPD received a boost with the introduction of new amino acid commodity product into the market. The Division recorded a huge increase in revenue, by 104.52% or RM 16.42 million, to RM32.13 million for FYE 2015, as compared to preceding year of RM15.71 million. The huge increase in revenue was mainly due to the new products introduction, adjustment of prices and increase in demand from the customers. However, due to the commodity nature of the new product, it had lower profit margin compared to normal feed additive products, and thus dragged down the overall profit margin of the Division.

Foodservice Equipment Division (FSED)

For FYE 2015, FSED had higher revenue of RM28.00 million, representing 6.22% increase in comparison to RM26.36 million registered for the preceding year. The increased was contributed by higher demand on FSED's spare parts by the customers.

The depreciation of Ringgit Malaysia and the implementation of GST had increase the cost of doing business for SCC. Customers are always price sensitive and most of SCC's products are imported, it brings up the cost and with higher selling price, customers will be looking for alternative products.

Food Manufacturing (SCCFM)

The Food Manufacturing Division failed to secure large export market during the financial year. Domestic market demand are lower compared to the preceding year due to market sentiment, especially with the introduction of GST, reducing the cash liquidity in the economy and spending power of end consumer.

We foresee a better 2016 for Food Manufacturing Division as the order from overseas are starting to emerge and the first shipment will be shipped out in Q2 2016.

OUTLOOK AND PROSPECT

Looking back to the messy 2015, a year with many disasters, terror attacks, crude oil prices plunges and many other financial markets turmoil, a bitter year to forget and forgone. Then we welcome year 2016, could this be the year that turn things and economy around?

Although the positive affirmation by Fitch Rating augurs well for the nation, the business outlook for the Group remains challenging in FYE 2016.

The depreciation of RM against USD had a big impact towards the Group's business and affects our bottom line severely. However, we foresee the RM to USD exchange rate to be stabilised in 2016 and would ease the way for us in making business decision. The implementation of GST in April 2015 takes away a lot of liquidity from the consumer and causes many of our business partners delaying or canceled their planned projects and expansions. All these factors have an impact toward SCC businesses and performance and it shows in our final financial results for FYE 2015.

Our subsidiary, SCC Food Manufacturing Sdn Bhd (SCCFM) will continue to participate in various trade exhibitions in Asia and Middle East, to promote our premixes and explore opportunities to penetrate into the world's Halal food market. On a positive note, 2016 would be the year that SCC's own products putting its first step out of Malaysia and reaching out to the world.

Food and beverage industry is expected to have CAGR of 5.3% *(Source: Euromonitor, 2014)* in 2016, and will always be the first choice to be ventured into by small players during difficult times. However, due to the rising cost of doing business, Foodservice Equipment Division (FSED) have to work even harder to gain greater market share and to attract players to do business with us as we are carrying premium products.

AHPD had secured the distributorship for new amino acid commodity product to the livestock market, this is a new natural L Methionine that compete directly with traditional DL Methionine which is an essential growth element for livestock to be mixed into their feeds. The product could contribute much higher revenue to the Group, however pricing and margin will be intense in 2016. The livestock sector is expected to gain a 2.4% growth in 2016 as per research paper published by *Euromonitor, 2014*.

We at SCC Group will stay focused to ensure that our customers get the value they expected and for us to deliver them in cost effective manner. To ensure that margins are improved, various ongoing cost management initiatives will continue to be a priority.

With attention in these areas, the Group will expect a pronounced impact and be resilient to withstand the increased competition and potential cost escalations ahead of us.

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 2015 stood at 87. From that strength, 73% 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 has continuously committed in upholding an approach to give back to the community through various CSR programs. By this, our CSR programs involve personnel from all different departments working to one direction, to achieve our CSR objective. All employees have given full support and participation to contribute in the CSR programs in achieving this ultimate objective. SCC focuses to bring more improvement to society through our CSR activities in the future.

Get Together Events

SCC values the diverse culture and to get together among all our employees. During the year, we organized Chinese New Year celebration and Hari Raya celebration cum family day event. Hari Raya celebration gave a chance for all employees to celebrate the festive season and rejoice together with their family members.

CHAIRMAN'S STATEMENT

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Products Sponsorship Program

In 2015, we participated in "TedxPetalingStreet" event, by sponsoring our company products such as nasi lemak, fried chicken premixes and lemongrass tea. TEDx is a program of local, self-organized events that bring people together to share and promote ideas that are worth sharing.

Charity Bazaar and Food Fair

SCC participated in the "Rumah Kanak-kanak Angel Fund Raising Charity Event". We sponsored our company beverage products such as Ice Blended Cappuccino and Coffee Shake in the food fair. Collections gathered from the said event were channeled to the orphanage home.

Donations

SCC cares about the well-being of the community. In June 2015, SCC had made donation to Dochen Buddhist Society for Nepal Earthquake Relief Fund. In September 2015, we donated to CP Charity Run and our employees also participated in the 8km charity run. During the financial year, donations were also made to Ampang old Folks Home and SJK (C) Pay Fong 2 Building Fund.

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
Chairman
SCC Holdings Berhad

The Board of Directors ("Board") of SCC Holdings Bhd ("Group") remained committed in ensuring 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.

This statement sets out the manner in which the Company has applied the Principles of Corporate Governance and the extent of compliance with the Recommendations as set out in the Malaysian Code on Corporate Governance 2012 (the "Code").

PRINCIPLE 1 - ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

1.1 Clear Functions of the Board and Management

The Board is responsible to provide stewardship of the Company and direction for management. It is collectively responsible and accountable to the Company's stakeholders for the long term success of the Group. The Board is guided by its Charter, Code of Ethics which outlines the duties and responsibilities of the Board, matters that are specifically reserved for the Board, as well as those which the Board may delegate to the relevant Board Committees.

The Board also delegates the authority and responsibilities for managing the day-to-day business affairs of the Group to the Managing Director who is responsible for overseeing the business development, implementation of the corporate strategies and business plans, policies and controls.

The Managing Director shall delegate authority and responsibilities to other Executive Directors in accordance to their calibre, to manage sub-divisions or subsidiaries of the Company and are accounted for the business performances of the tasks being assigned to them.

1.2 Board Duties and Responsibilities

The Board is represented by members of high calibre and comprise of individuals from varied backgrounds with wide range of relevant business experiences who contribute independent judgement on issues pertaining to strategy, risks, management performance, compliance and resources affecting the Group.

The role and responsibilities of the Board includes:-

a. Reviewing and approving the overall strategies and direction of the Group including sustainability of the Group's businesses.

b. Overseeing and evaluating the conduct of the Group's businesses to ensure the businesses is properly managed in conformity with ethical values, integrity, fairness, trust and high performance.

c. Identifying 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 other Directors 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.

In discharging its fiduciary duties, Board Committees are formed to assist in the effectiveness of the Board. The Board delegate specific responsibilities to three (3) Committees, namely:-

1. The Nomination Committee (NC),
2. The Audit Committee (AC), and
3. The Remuneration Committee (RC)

The Board Committees are guided and operate within clearly defined terms of reference. All these Committees are mainly lead by Independent Non-Executive Directors of the Board. Management and third parties are invited to attend or are co-opted to such committee as and when required.

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;

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.

The Company recognises that any genuine commitment to detecting and preventing actual or suspected unethical, unlawful, illegal, wrongful or other improper conduct must include a mechanism whereby employees can report their concerns freely without fear of reprisal or intimidation. Any report received will be investigated and appropriate actions shall be taken by Human Resources Department.

1.4 Strategies Promoting Sustainability

The Group recognised the importance of sustainability and its increasing impact to the business. The Group embraced corporate responsibilities as an integral part of carrying out our business and are always mindful of the importance of environmental sustainability and a commitment to be a benefit to the larger society as well as to safeguard the welfare of the employees.

We focus on 4 main corporate responsibilities pillars:-

Environment

- Our procurement and manufacturing practises are in line with "green" principles.
- We minimize the impact to the environment by promoting "green" products that uses less oil, less energy, produce less wastage, non-antibiotic and other natural products.
- We educate our business partners on environmental friendly and naturally healthy products for the betterment of environment and social community.

Welfare of the Employees

- We strive to ensure safe and healthy working environment for our employees.
- We ensure that every employee is treated fairly.
- We value our employees by enhancing our employees' skills and knowledge through staff training and development

Community

- We participate in charity events towards local authorities and community group.

Marketplace

- We focus on continuously developing our existing business partners to create long term partnerships.
- We strive to comply with best practise under the Code to enhance and protect shareholders' value for the long term sustainability.

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

Agenda and discussion papers are circulate at minimum five (5) working days 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 Ace Market Bursa Malaysia Listing Requirements ("AMLR") 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 had adopted a Charter, which outlines the composition of the Board together with the roles and responsibilities of the Board, the Chairman, the Managing Director, the Directors, the Senior Management, the Company Secretary, including Board's unrestricted access to information and independent professional advice.

The Charter will be subjected to periodical review cum updates by the Board whenever deemed necessary. The Board Charter is made available on the Company's website at www.sccholdings.com.my.

PRINCIPLE 2 - STRENGTHEN COMPOSITION OF THE BOARD

2.1 Nomination Committee

The Nomination Committee ("NC") is responsible 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 one (1) occasion during the FYE 2015.

The NC comprises three (3) Non-Executive Directors, who are Independent Non-Executive Directors. Members of the NC as at 31 December 2015, comprises of the following Board members:-

Name of Nomination Committee member		No. of meeting attended
Dato' Ismail bin Hamzah	Chairman, Independent Non-Executive Director	1/1
Dato' Dr. Choong Tuck Yew	Member, Independent Non-Executive Director	1/1
Dr. Goy Hong Boon	Member, Independent Non-Executive Director	1/1

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 Directors 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 below:-

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

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 is committed in recognising and utilising the contribution of diverse skills and talent from its directors, offciers and employees as a mean of enhancing the Group's performance. Diversity may result from wide range of factors which include age, gender, ethnicity or cultural background.

The Board is actively managing its workforce diversity to ensure equal employment opportunity regardless of genders. It foster the environment where the ability to contribute and access employment opportunities is based on performance, skills and merits. These will include equal opportunity in respect to employment and employment conditions such as hiring, training for professional development and promotion for career advancement.

As at the reporting date, the Board has not set a gender diversity target, however, it is moving towards a more gender equality of employees. It will focus on getting the participation of woman and those of different ethnicity on its Board and within senior management and the person selected must be able to contribute positively to the development of the Group.

2.3 Remuneration Policies

The Board has established a Remuneration Committee ("RC") comprises two (2) Independent Non-Executive Directors and an Executive Chairman. Members of the RC as at 31 December 2015, comprises of the following Board members:-

Name of Remuneration Committee member		No. of meeting attended
Dato' Dr. Choong Tuck Yew	Chairman, Independent Non-Executive Director	2/2
Dato' Ismail bin Hamzah	Member, Independent Non-Executive Director	2/2
Chee Long Sing @ Cher Hwee Seng	Member, Executive Chairman	2/2

Executive Directors

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.

The Group operates a bonus scheme for all its employees including Executive Directors. The performances of the Group along with assessment of the individual's performance form the criteria for the scheme.

Non-Executive Directors

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 25 June 2015 to pay the Directors Fees to the Non-Executive Directors for the FYE 2014.

Details of Directors' Remuneration

Remuneration paid or payable or otherwise made available to all Directors of the Company and Group who have served during the FYE 2015 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	610	-	610
EPF (Employer)	195	-	195
TOTAL	**2,605**	**72**	**2,677**

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

	No. of Directors		
Band of Remuneration	**Executive Directors**	**Non-Executive Directors**	**Total**
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	-	-	-
RM450,001 – RM500,000	2	-	2
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 on Independence of Director

The Independent Non-Executive Director should be persons of calibre and integrity, who collectively provide skills and competencies to ensure the effectiveness of the Board. The criteria for independence set out under Rule 1.01 of the Bursa Malaysia Securities Berhad ("Bursa Securities") ACE Market Listing Requirements ("AMLR") also form the basis for evaluation of independence of non-executive director. Independence broadly encapsulates independence from management and the absence of conflict of interest which could interfere with the Independence Director's judgement and ability to contribute to the Board's deliberations, or which could interfere with the Director's ability to act in the best interest of the Company.

The Board conducts annual reviews of the independence of each and every of the Directors, using the peer evaluation questionnaire, in addition of the responsibility of each Director in making immediate declaration over their interest, for assessing the performance of the Independence Directors. The Board has determined from the annual assessment carried out that all the three Independence Non-Executive Directors who had served on the Board remain objective and independent in expressing their views and in participating in deliberations and decision making of the Board and Board Committees.

3.2 Tenure of Independent Directors

The Board has adopted the recommendation of the Code 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 financial year under review, none of the current independent Board members had served the Company for more than nine (9) years cumulatively.

3.4 Separate of positions of Chairman and Managing Director

To ensure balance of authority, increased accountability and a greater capacity for independent decision making, the roles of the Chairman and the Managing Director are distinct and separate with a clear division of responsibilities between the Chairman and the Managing Director.

The Board is chaired by a Non-Independent Executive Chairman. Whilst the Company supports the recommendation made under the Recommendation 3.5 of the Code, the Company maintains that the Chairmanship of the Board shall continue to be held by a Non-Independent Executive Chairman for the time being. The Board is of the view that the Chairman will remain objective in expressing his views and will allow all Board members the opportunity to participate and express their views in deliberations and decision making in the Board without fears or favour. The Board is of the opinion that the element of independence which currently exist is adequate to provide assurance that there is a balance of power and authority of the Board. The Managing Director is primarily responsible for the day-to-day operations of the Group, which includes implementation of policies, and strategies adopted by the Board. The Managing Director is responsible for communicating matters relating to the Group's business to the Board. The Managing Director's knowledge of the Group's business and affairs contributes significantly towards the attainment of the Group's goals and objectives.

3.5 Composition of the Board

As at end of the financial year, the Board comprises eight (8) members:-

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

The Code stipulates that at least one-third of its Board members must be made up of Independent Non-Executive Directors. The Group's Board balance is achieved with the presence of three (3) Independent 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 2015 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	5/5	100
Dr. Goy Hong Boon	5/5	100
Cher Lip Chun	5/5	100
Chu Soo Meng	5/5	100

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	• Opportunities for PLC in Shariah-compliant Landscape
2.	Cher Sew Seng	• Team Leadership Workshop • Strengthening Corporate Governance Disclosure amongst the Listed Issuers
3.	Goh Ah Heng @ Goh Keng Chin	• Team Leadership Workshop • Economic & Market Outlook Seminar • The Impact of GST and 2016 Budget • 2016 Economic and Market Outlook
4.	Dato' Ismail bin Hamzah	• Tone From the Chair and Establishing Boundaries • Implementing Investors Strategies • Lead The Change: Getting Women On Board
5.	Dato' Dr. Choong Tuck Yew	• Kelab Alumni Kakitangan BNM Breakfast Talk • The Malaysian Dilemma • GST: A Catalyst Towards A Developed Nation • Pain and the Brain • Today's Synergy, Tomorrow's Reality • Bursa CG Breakfast: Future of Auditors Reporting – The Game Changer for Boardroom • Toastmasters Club Activities – Speech and Table Topics / Evaluation workshops
6.	Dr. Goy Hong Boon	• CG Breakfast Series: The Board's Response in Light of Rising Shareholder Engagement
7.	Cher Lip Chun	• Opportunities for PLC in Shariah-compliant Landscape • Strengthening Corporate Governance Disclosure amongst the Listed Issuers
8.	Chu Soo Meng	• Strengthening Corporate Governance Disclosure amongst the Listed Issuers • Company Corporate Culture • GST 4.0 Seminar • Corporate Internet Banking and Statutory Payment to Government.

PRINCIPLE 5 - UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Compliance with Applicable Financial Reporting Standards

The Board is committed to provide a balanced, clear and comprehensive assessment of the Group's financial position and prospects by ensure the financial statements and quarterly announcements are prepared in accordance with the provisions of the Companies Act 1965 and applicable approved accounting standards.

The Board is assisted by the AC in reviewing the appropriateness of accounting policies applied by the Group, as well as, the changes in these policies.

The AC also assists the Board in overseeing the financial reporting process and ensuring the quality of the financial reporting by the Group. The AC reviews and monitors the accuracy and integrity of the Group's annual and quarterly financial statements, before approving them to be announced to the public within the stipulated time frame.

In reviewing all the published annual and quarterly financial statements during the financial year, the AC took due care and reasonable steps to ensure compliance with the applicable accounting standards in all material aspects. For this purpose, the AC are updated and briefed by the external auditors on current accounting practices, recommended best practices, and applicable financial reporting standards and IC Interpretation, minimum once a year.

A statement by the Directors of their responsibilities for preparing the financial statements is set out under the Statement on Directors' Responsibility on Page 32 of this Annual Report.

5.2 Assessment of Suitability and Independence of External Auditors

The Board has maintained a transparent and professional relationship with the Group's external auditors through the AC. The AC meets with the external auditors at least twice a year to discuss their audit plan and audit findings in relation to the Group's financial results. The AC will have private sessions with the External Auditors without the presence of Executive Directors and Management to discuss the audit findings and any other observations they may have during the audit process. An assurance is provided by the External Auditors via their report to the AC, confirming their independence through the conduct of the audit engagement in accordance with the terms of relevant professional and regulatory requirement.

The External Auditors are invited to attend the Company's Annual General Meeting (AGM) and are available to answer shareholders' queries on the conduct of the statutory audit and the contents of the Annual Audited Financial Statements.

For the year under review, two (2) 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 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 28 in the annual report.

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;
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; and
c. Review the quality of services, sufficient of resources, communication and interaction and audit planning.

PRINCIPLE 6 - RECOGNISE AND MANAGE RISKS

6.1 Framework to Manage Risks

The Board is responsible for the adequacy and effectiveness of the Group's Risk Management and Internal Control System. These controls provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The Directors are responsible for the Group's system of internal controls. The internal control covers the financial and non-financial aspects including risk assessment. It also emphasizes compliance and operational controls, as well as risks management matters. The Group had formalised a set of Standard Operating Procedures for its business and supporting units, which take into account consideration the adequacy and integrity of the system of internal controls, and is subject to review by Management. A Risk Management and Internal Controls Committee (RMC), chaired by the Managing Director had been setup for this purpose. The members of the RMC include 3 Executive Directors, 2 Head of Business Divisions (HOD), Human Resources Manager, Accounts Manager and Finance Manager. The RMC had met for 4 times in this financial year to discuss various topics and follow up actions assigned to HOD had been carried out for risk identified. The RMC Chairman and Executive Directors are being update with the mitigation progress from time to time and the results thereof.

6.2 Internal Audit Function

The Group's Internal Audit is outsourced to external consultant, which is CGRM Infocomm Sdn Bhd for year 2015 and year 2016, who would report directly to AC on their findings and concerns during their audit process.

The Internal Auditors conducts a robust risk assessment during the year, which then determines the scope of focus for the internal audit in accordance with the risk based matrix. The scope of the internal audit is presented to the AC for review and prior approval. The field audit is subsequently conducted onsite and audit findings together with recommendations on risk gaps closure, if any, are reported directly to the AC. The Internal Auditors also ensure that any recommended actions plans to improve controls are followed through by Management until they are resolved and closed.

The key features of the Company's internal audit processes are set out in the statement of risk management and internal control and the audit committee report on page 30 to 31 and page 23 to 28 of this Annual Report, respectively.

The External Auditors shall review the statement of risk management and internal controls and verify if the statements are accurately prepared.

Total cost of the Company's internal audit function for the FYE 2015 amounted to RM20,875.00.

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 Malaysia Securities Berhad 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 Malaysia Securities Berhad is immediately available to shareholders, stakeholders and the public on the Company's Investor Relations section of the website: www.sccholdings.com.my.

While the Board endeavours to keep its entire shareholder as much informed as possible, the Board must ensure that confidential information is handled properly by authorised personnel to avoid leakage and improper use of such information, as such, the Group has always abided by the legal and regulatory framework governing the release of materials and price-sensitive information.

7.2 Leverage on Information Technology for Effective Dissemination of Information

The Board has established a dedicated section in the Company's website for corporate information on the Company's announcements, financial information, annual reports, share prices and analysts' reports which are accessible by shareholders, stakeholders and general public. The website is the key communication channel for the Company to reach its shareholders and general public.

The website has a dedicated section for Investor Relations ("IR") which includes a corporate newsroom, investment calculator, as well as Company's IR contact which shareholders and general public may direct their enquiries through the provided communication channels including telephone and e-mail.

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.

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 25 June 2015. 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.sccholdings.com.my

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

COMPLIANCE STATEMENT

STATEMENT ON COMPLIANCE WITH THE REQUIREMENTS OF BURSA MALAYSIA IN RELATION TO APPLICATION OF PRINCIPLES AND ADOPTION OF BEST PRACTISES LAID DOWN IN THE MALAYSIAN CODE OF CORPORATE GOVERNANCE

The Board has taken necessary practical and appropriate steps to comply with the requirement of AMLR of Bursa Malaysia in relation to applications of principles and adoption of best practises of good corporate governance as set out in the MCCG 2012. The Group will continue to review its governance principles and recommendations in pursuit of achieving the highest level of transparency, accountability and integrity.

This statement was made in accordance with a resolution of the Board dated 1 April 2016.

AUDIT COMMITTEE REPORT

The primary objective of the Audit Committee is to assist and support the Board of SCC in fulfilling its fiduciary responsibilities to ensure strong corporate governance. The Committee is responsible for assessing the risk and control environment, overseeing financial reporting and evaluating the management and audit process within the Group.

COMPOSITION AND MEETINGS

The members of the Audit Committee ("AC") comprise three (3) members, all of whom are Independent Non-Executive Director. The AC Chairman, Dato' Dr Choong Tuck Yew, is a Chartered Member of the Malaysia Institute of Accountants ("MIA"), and a member of the Malaysian Institute of Certified Public Accountants.

At the end of FYE 2015, the members of the 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

During the FYE 2015, five (5) Audit Committee meetings were held and attendance details of the Directors at meetings can be summarised as follows:

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

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.

The Managing Director and the Executive Directors, Finance Manager attended all meetings upon invitation by the AC. The Group's External Auditors also attended the third and fourth quarter meetings held during the financial year.

The AC also met the External Auditors in two (2) private sessions without the presence of Management to discuss audit related matters that Auditors wish to raise directly with the Committee during the FYE 2015.

The Company Secretary who is also the secretary to the AC attends all the meetings.

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.

SUMMARY OF ACTIVITIES

The AC carried out its duties in accordance with the Summary of Terms of Reference as listed below during the financial year with the key responsibilities listed as below:-

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 2015.

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. Met with the External Auditors two (2) times without the presence of the Executive Directors and the Management.

i. Recommended the nomination of Messrs. Baker Tilly Monterio Heng for re-appointment as external auditors for the Company and Group.

INTERNAL AUDIT FUNCTION

The Group's internal audit function, which is outsourced to a professional service firm, assist the AC and the Board by providing independent assessment of the adequacy and effectiveness of the Group's internal control systems. The internal audit function reports directly to the AC.

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 entire Group using approved risk based internal audit plan
b) recommend high risk areas to be audited and internal audit plan for 2015/2016
c) reviewed the current system covering business processes to ensure proper internal controls are embedded in these processes.
d) monitor the implementation of the audit recommendations to ensure all key risks and controls have been addressed.

The cost incurred for the outsourced independent internal audit services in respect of the FYE 2015 was RM20,875.00 (FYE 2014 – RM24,625.00).

TERMS OF REFERENCE

1. Composition of the Audit Committee

1.1. The majority of the AC members shall be independent director as defined under Bursa Securities AMLR and comprises not less than three (3) non-executive directors.

1.2. All members of the AC shall be financially literate and at least one (1) member of the AC must be:

a) a member of the Malaysian Institute of Accountants ("MIA"); or
b) if he is not a member of MIA, he must have at least three (3) years of working experience; and

i) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
ii) he must be a member of one of the associations of accountants specified in Part II of the First schedule of Accountants Act 1967; or

c) fulfils such other requirements as prescribed or approved by Bursa Securities

1.3. No alternate Director of the Board shall be appointed as member of the AC.

1.4. The term of office and performance of the AC and each of its members shall be reviewed by the Board through the NC at least once every three (3) years to determine whether such AC and members have carried out their duties in accordance with their terms of reference.

2. Retirement and Resignation

2.1. If a member of the AC resigns, dies, or for any reason ceases to be a member resulting in non-compliance to the composition criteria as stated in paragraph (1) above, the Board shall within three (3) months of the event appoint such number of the new members as may be required to fill the vacancy.

3. Chairman

3.1. The members of the AC shall elect a Chairman from amongst their number who shall be an Independent Director. In the absence of the Chairman of the AC, the other members of the AC shall amongst themselves elect a Chairman who must be Independent Director to chair the meeting.

4. Secretary

4.1. The Company Secretary shall be the Secretary of the AC and as a reporting procedure the Minutes shall be circulated to all members of the Board.

5. Meetings

5.1. The AC shall meet regularly, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion.

5.2. Upon the request of the external auditor, the Chairman of the AC shall convene a meeting of the AC to consider any matter the external auditor believes should be brought to the attention of the directors or shareholders.

5.3. Notice of AC meetings shall be given to all the AC members unless the AC waives such requirement.

5.4. The Chairman of the AC shall engage on a continuous basis with senior management, such as the Chairman, the Managing Director, the Chief Financial Officer/Finance Manager, the Internal Auditors and External Auditors in order to be kept informed of matters affecting the Company.

5.5. The Managing Director and the Chief Financial Officer/Finance Manager should normally attend meetings. Other Board members and employees may attend meetings upon the invitation of the AC. However, the AC shall meet with the external auditors without executive Board members or employees present at least twice a year and whenever necessary.

5.6. The external auditors have the right to appear and be heard at any meeting of the Committee and shall appear before the Committee when required to do so by the Committee.

5.7. The internal auditors shall be in attendance at meetings of the Committee to present and discuss the audit reports of findings and the recommendations relating thereto and to follow up on decisions made at these meetings.

5.8. Questions arising at any meetings of the AC shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the AC shall have a second or casting vote.

6. Minutes

6.1. Minutes of each meeting shall be kept at the registered office and distributes to each member of the AC and also to the other members of the Board. The Audit Committee Chairman shall report on each meeting to the Board.

6.2. The minutes of the AC meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

7. Quorum

7.1. The quorum for the AC meeting shall be the majority of members present whom must be Independent Directors and two (2) members shall constitute a quorum.

7.2. Attendance at a meeting may be by being present in person or by participating in the meeting via video or teleconference.

8. Objectives

8.1. The principal objectives of the AC are to assist the Board of Directors in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the holding company and each of its subsidiaries. In addition, the AC shall:

a) evaluate the quality of the audits performed by the internal and external auditors;
b) provide assurance that the financial information presented by management is relevant, reliable and timely;
c) oversee compliance with laws and regulations and observance of a proper code of conduct; and
d) determine the quality, adequacy and effectiveness of the Group's control environment.

9. Authority

9.1. The Audit Committee shall, in accordance with a procedure to be determined by the Board and at the expense of the Company:

a) have explicit authority to investigate any matter within its terms of reference, the resources to do so, and full access to information. All employees shall be directed to co-operate as requested by members of the Audit Committee.

b) have full and unlimited/unrestricted access to all information and documents/resources which are required to perform its duties as well as to the internal and external auditors and senior management and employees of the Company and Group.

c) obtain independent professional or other advice and to invite outsiders with relevant experience to attend, if necessary.

d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any).

e) where the AC is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of Bursa Securities AMLR, the AC shall promptly report such matter to Bursa Securities.

10. Duties and responsibilities

10.1. The duties and responsibilities of the Audit Committee are as follows:

Evaluating the External Audit Process

a) To consider the appointment of the external auditor, the audit fee and any question of resignation or dismissal;

b) To discuss with the external auditor before the audit commences, the nature and scope of the audit,

c) To review with the external auditor his evaluation of the system of internal controls and his audit report;

d) To consider the auditor's competence and independence.

Overseeing Financial Reporting

e) To review the quarterly and year-end financial statements of the Board, focusing particularly on:-

- o any change in accounting policies and practices;
- o significant adjustments arising from the audit;
- o the going concern assumption; and
- o compliance with accounting standards and other legal requirements;

*presents true and fair view of the company's financial position and performance

f) Assessing the appropriateness of management's selection of accounting policies and disclosures in compliance with approved accounting standards.

g) Ensuring timely submission of Financial Statements by management.

h) Reviewing significant or unusual transactions and accounting estimates, including related party transaction.

i) To review the external auditor's management letter and management's response.

Assess Risk and Control Environment

j) To do the following, in relation to the internal audit function:-

- o review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- o review the internal audit programme and results of the internal audit process and where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
- o review any appraisal or assessment of the performance of members of the internal audit function;
- o approve any appointment or termination of any in-house senior staff members of the internal audit function; and
- o take recognition of resignations of in-house internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning;

k) To consider the major findings of internal investigations and management's response;

l) To verify the allocation of employees' share option scheme ("ESOS") in compliance with the criteria as stipulated in the by-laws of ESOS of the Company, if any;

Review conflict of interest and Related Party Transaction

m) To consider any related party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

Relationships and Communication with Board, Auditors and Management

n) To report its findings on the financial and management performance, and other material matters to the Board;

o) To discuss problems and reservations arising from the interim and final audits, and any other matter the auditor may wish to discuss (in the absence of the management, where necessary);

p) To identify principal risks and to establish a proper risk management system to manage such risks;

q) To consider other topics as defined by the Board;

r) To consider and examine such other matters as the Audit Committee considers appropriate.

11. Revision of the Terms of Reference

Any revision or amendment to the Terms of Reference, as proposed by the Audit Committee or any third party, shall be presented to the Board for its approval.

Upon the Board 's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.

ADDITIONAL COMPLIANCE INFORMATION

1. Share Buy-Back

The Company did not undertake any share buy-back exercise during FYE 2015.

2. Options, Warrants or Convertible Securities Exercised

The Company did not have any options, warrants or convertible securities in issue during FYE 2015.

3. Depository Receipt Programme

The Company did not sponsor any depository receipt programme in the FYE 2015.

4. 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 2015.

5. 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 2015.

6. 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.

7. Profit Guarantee

The Company did not receive any profit guarantee during FYE 2015.

8. 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 2015.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 the Malaysian Code on Corporate Governance 2012 ("MCCG 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, stakeholders' interest and assets of the Group.

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, stakeholders' interest and the assets of the Group.

The Board is responsible for identifying, evaluating 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 are adequate and effective to manage the risk of the Group. Nevertheless, due to the inherent limitations of 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 operate adequately and effectively, in all material aspects, based on the risk management and internal control system.

RISK MANAGEMENT

The Board reviews internal control issues identified by the management and the internal auditors, as well as 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, 2 Head of Business Divisions (HOD), Human Resources Manager, Accounts Manager and Finance Manager. The responsibilities of RMC including assisting in development of risk management framework, policies, processes and procedures; maintaining the risk register for the Group; monitoring operating unit's compliance with Group's policies and procedures; monitoring and reporting of the key risks as identified by the Management.

There were 4 meetings held by the RMC during the financial year, the discussion is about the current and possible future issues that might affect the business of the Group. Relevant Heads of Department are also being invited to join the meetings.

Risk Management matters were also being discussed during monthly management meetings and tasks had been assigned to relevant personnel to follow up.

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.

Board and Management Meetings

Strategic planning and detailed target setting for each area of business are established during the year end. The management will meet on a monthly basis to monitor the Company's actual results against a target, whereby significant variances are being investigated and management action is taken, where necessary as well as obtaining feedbacks on daily operational issues.

The Board meets on a quarterly basis to review agendas which amongst others include periodically internal audit reports.

Performance Management Framework

Management reports are generated on 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

The 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 maximise operation efficiency.

Operation control procedures have been established in accordance to ISO 9001 standard. This is to ensure that the business processes flow are being executed as per best practices recommended by the standard.

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 Audit Committee Meeting. In assessing the adequacy and effectiveness of the system of internal controls of the Group, the Audit Committee 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 year ended 31 December 2015. 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.

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 1 April 2016.

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.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year, net of tax	6,406	5,716

DIVIDENDS

During the financial year, the Company paid a single-tier interim dividend of 5 sen per ordinary share and a single-tier special dividend of 5 sen per ordinary share, on 42,757,000 ordinary shares amounting to RM4,275,700/- in respect of the financial year ended 31 December 2015.

The directors do not recommend the payment of any final dividends in respect of the financial year ended 31 December 2015.

RESERVES OR PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the statements of 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 or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the statements of 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 which were unlikely to be realised in the ordinary course of business including 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 realise.

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 which has 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 which has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liabilities of the Group and of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may 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 which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely 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

During the financial year, no new issue of shares and debentures were made by the Company.

OPTION GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up the unissued shares of the Company during the financial year.

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 required to be kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporation during the financial year were as follows:

	Number of ordinary shares of RM0.50 each			
	At 1.1.2015	Bought	Sold	At 31.12.2015
The Company				
SCC Holdings Berhad				
Direct interests:				
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	3,578,923	-	-	3,578,923
Chu Soo Meng	30,000	-	-	30,000
Dato' Dr. Choong Tuck Yew	20,000	-	-	20,000
Indirect interests:				
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 ordinary shares of 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 had any interest in the ordinary shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as disclosed in Note 21 to 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 a party to any arrangements where the object is 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

Details of significant events during the financial year are disclosed in Note 29 to the financial statements.

AUDITORS

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

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

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

……………………………………...
CHER SEW SENG
Director

Kuala Lumpur

Date: 1 April 2016

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 41 to 85 are properly drawn up in accordance with 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 position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

The supplementary information set out on page 86 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.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

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

………………………………………………........
CHER SEW SENG
Director

Kuala Lumpur

Date: 1st April 2016

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 41 to 85 and the supplementary information set out on page 86 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 1st April 2016.

Before me,

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

Report on the Financial Statements

We have audited the financial statements of SCC Holdings Berhad, which comprise the statements of financial position as at 31 December 2015 of the Group and of the Company, and the statements of 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 41 to 85.

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 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 31 December 2015 and of their financial performance and cash flows for the financial year then ended in accordance with 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

TO THE MEMBERS OF SCC HOLDINGS BERHAD
(Incorporated in Malaysia) cont'd

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out on page 86 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. 2916/03/18 (J)
Chartered Accountant

Kuala Lumpur

Date: 1st April 2016

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

		Group		Company	
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	5,436	5,363	-	-
Investments in subsidiaries	6	-	-	16,300	16,300
Goodwill on consolidation	7	8	8	-	-
Investment securities	8	67	53	-	-
Total non-current assets		5,511	5,424	16,300	16,300
Current assets					
Inventories	9	7,475	5,797	-	-
Trade receivables	10	13,571	10,116	94	155
Other receivables, deposits and prepayments	11	813	316	6,234	6,234
Current tax assets		37	67	37	67
Other investments	12	8,249	5,473	2,878	-
Deposits placed with licensed banks	13	200	4,897	-	2,627
Cash and bank balances		5,866	4,626	1,649	351
Total current assets		36,211	31,292	10,892	9,434
TOTAL ASSETS		41,722	36,716	27,192	25,734
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	14	21,379	21,379	21,379	21,379
Reserves	15	14,545	12,401	5,681	4,241
TOTAL EQUITY		35,924	33,780	27,060	25,620
Non-current liabilities					
Hire purchase payables	16	91	181	-	-
Deferred tax liabilities	17	167	171	-	-
Total non-current liabilities		258	352	-	-
Current liabilities					
Trade payables	18	2,961	450	-	-
Other payables, deposits and accruals	19	1,653	1,029	132	114
Hire purchase payables	16	90	86	-	-
Current tax liabilities		836	1,019	-	-
Total current liabilities		5,540	2,584	132	114
TOTAL LIABILITIES		5,798	2,936	132	114
TOTAL EQUITY AND LIABILITIES		41,722	36,716	27,192	25,734

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		Group		Company	
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	20	60,374	42,246	9,047	6,504
Cost of sales		(37,930)	(21,190)	-	-
Gross profit		22,444	21,056	9,047	6,504
Other income		1,040	973	155	132
Selling and distribution expenses		(5,138)	(3,770)	-	-
Administrative expenses		(8,726)	(8,573)	(3,481)	(1,670)
Other expenses		(804)	(658)	-	-
Operating profit		8,816	9,028	5,721	4,966
Finance costs					
- hire purchase interests		(10)	(13)	-	-
Profit before tax	21	8,806	9,015	5,721	4,966
Income tax expense	22	(2,400)	(2,441)	(5)	(62)
Profit for the financial year		6,406	6,574	5,716	4,904
Other comprehensive income, net of tax					
Items that are or may be reclassified subsequently to profit or loss					
- fair value gain of available-for-sale financial assets		14	11	-	-
Total comprehensive income for the financial year		6,420	6,585	5,716	4,904
Profit attributable to:					
Owners of the Company		6,406	6,574	5,716	4,904
Total comprehensive income attributable to:					
Owners of the Company		6,420	6,585	5,716	4,904
Earnings per ordinary share attributable to owners of the Company					
- basic earnings per ordinary share (sen)	23(a)	14.98	15.38		
- diluted earnings per ordinary share (sen)	23(b)	14.98	15.38		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		Attributable to owner of the Company				
		Non-distributable			Distributable	
	Note	Share capital RM'000	Share premium RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total equity RM'000
Group						
At 1 January 2014		21,379	2,667	26	7,399	31,471
Fair value gain of available- for-sale financial assets		-	-	11	-	11
Profit for the financial year		-	-	-	6,574	6,574
Total comprehensive income for the financial year		-	-	11	6,574	6,585
Dividends	24	-	-	-	(4,276)	(4,276)
At 31 December 2014		21,379	2,667	37	9,697	33,780
Fair value gain of available- for-sale financial assets		-	-	14	-	14
Profit for the financial year		-	-	-	6,406	6,406
Total comprehensive income for the financial year		-	-	14	6,406	6,420
Dividends	24	-	-	-	(4,276)	(4,276)
At 31 December 2015		21,379	2,667	51	11,827	35,924
Company						
At 1 January 2014		21,379	2,667	-	946	24,992
Total comprehensive income for the financial year		-	-	-	4,904	4,904
Dividends	24	-	-	-	(4,276)	(4,276)
At 31 December 2014		21,379	2,667	-	1,574	25,620
Total comprehensive income for the financial year		-	-	-	5,716	5,716
Dividends	24	-	-	-	(4,276)	(4,276)
At 31 December 2015		21,379	2,667	-	3,014	27,060

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		Group		Company	
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities					
Profit before tax		8,806	9,015	5,721	4,966
Adjustments for:					
Bad debts written off		2	-	-	-
Depreciation of property, plant and equipment		603	571	-	-
Dividend income		(1)	(1)	(6,522)	(4,813)
Fair value gain on financial assets		(276)	(140)	(78)	-
Finance costs		10	13	-	-
Gain on disposal of property, plant and equipment		(62)	(13)	-	-
Impairment loss on trade receivables		199	64	-	-
Interest income		(161)	(231)	(77)	(132)
Property, plant and equipment written off		2	-	-	-
Reversal of impairment loss on trade receivables		(50)	(206)	-	-
Unrealised gain on foreign exchange		(51)	-	-	-
Operating profit/(loss) before changes in working capital		9,021	9,072	(956)	21
Changes in working capital :					
Inventories		(1,678)	(1,947)	-	-
Receivables		(4,103)	(899)	61	(2,229)
Payables		3,135	223	18	(6)
Net cash flows generated from/(used in) operations		6,375	6,449	(877)	(2,214)
Tax paid		(2,629)	(1,912)	(43)	(70)
Tax refund		72	-	68	-
Net cash flows generated from/(used in) operating activities		3,818	4,537	(852)	(2,284)
Cash flows from investing activities					
Purchase of property, plant and equipment	(a)	(678)	(1,392)	-	-
Purchase of investment securities		-	(2)	-	-
Addition in investment in a subsidiary		-	-	-	(400)
Net (purchase)/withdrawal of other investments		(2,500)	(300)	(2,800)	-
Proceeds from disposal of property, plant and equipment		62	48	-	-
Dividend received		1	1	6,522	4,813
Interest received		161	231	77	132
Net cash flows (used in)/generated from investing activities		(2,954)	(1,414)	3,799	4,545

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Cash flows from financing activities					
Interest paid		(10)	(13)	-	-
Uplift in deposits pledged with licensed banks		-	1,033	-	-
Repayment of hire purchase payables		(86)	(74)	-	-
Dividends paid		(4,276)	(4,276)	(4,276)	(4,276)
Net cash flows used in financing activities		(4,372)	(3,330)	(4,276)	(4,276)
Net (decrease)/increase in cash and cash equivalents		(3,508)	(207)	(1,329)	(2,015)
Cash and cash equivalents at the beginning of the financial year		9,523	9,730	2,978	4,993
Effect of exchange rate changes on cash and cash equivalents		51	-	-	-
Cash and cash equivalents at the end of the financial year	(b)	6,066	9,523	1,649	2,978

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
(a) Purchase of property, plant and equipment		678	1,491	-	-
Financed by way of hire purchase arrangements		-	(99)	-	-
Cash payments on purchase of property, plant and equipments		678	1,392	-	-
(b) Analysis of cash and cash equivalents					
Deposits placed with licensed banks		200	4,897	-	2,627
Cash and bank balances		5,866	4,626	1,649	351
		6,066	9,523	1,649	2,978

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is 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 6 to the financial statements. There have been no significant changes in the nature of these 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 were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 1 April 2016.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Adoption of amendments/improvements to MFRSs

The Group and the Company have adopted the following amendments/improvements to MFRSs that are mandatory for the current financial year:

Amendments/Improvements to MFRSs	
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 2	Share-based Payment
MFRS 3	Business Combinations
MFRS 8	Operating Segments
MFRS 13	Fair Value Measurement
MFRS 116	Property, Plant and Equipment
MFRS 119	Employee Benefits
MFRS 124	Related Party Disclosures
MFRS 138	Intangible Assets
MFRS 140	Investment Property

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group's and the Company's existing accounting policies, except for those as discussed below:

Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards

Amendments to MFRS 1 relate to the IASB's Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarifies that a first-time adopter is permitted but not required to apply a new or revised Standard that is not yet mandatory but is available for early application.

Amendments to MFRS 3 Business Combinations

Amendments to MFRS 3 clarify that when contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to MFRS 132. They also clarify 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 clarify that MFRS 3 excludes from its scope the accounting for the formation of all types of joint arrangements (as defined in MFRS 11) in the financial statements of the joint arrangement itself.

2. BASIS OF PREPARATION (CONTINUED)

2.2 Adoption of amendments/improvements to MFRSs (continued)

Amendments to MFRS 8 Operating Segments

Amendments to MFRS 8 require 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 clarify 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 relate 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 clarify that the scope of the portfolio exception of MFRS 13 includes all contracts accounted for within the scope of MFRS 139 or MFRS 9, regardless of whether they meet the definition of financial assets or financial liabilities as defined in MFRS 132.

Amendments to MFRS 116 Property, Plant and Equipment

Amendments to MFRS 116 clarify the accounting treatment for the accumulated depreciation when an asset is revalued. They clarify 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 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 119 Employee Benefits

Amendments to MFRS 119 provide 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).

Amendments to MFRS 124 Related Party Disclosures

Amendments to MFRS 124 clarify 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.

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRSs and amendments/improvements to MFRSs that have been issued, but yet to be effective

		Effective for financial periods beginning on or after
New MFRSs		
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments/Improvements to MFRSs		
MFRS 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
MFRS 7	Financial Instruments: Disclosures	1 January 2016
MFRS 10	Consolidated Financial Statements	Deferred/ 1 January 2016
MFRS 11	Joint Arrangements	1 January 2016
MFRS 12	Disclosure of Interest in Other Entities	1 January 2016
MFRS 101	Presentation of Financial Statements	1 January 2016
MFRS 116	Property, Plant and Equipment	1 January 2016
MFRS 119	Employee Benefits	1 January 2016
MFRS 127	Separate Financial Statements	1 January 2016
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2016
MFRS 138	Intangible Assets	1 January 2016
MFRS 141	Agriculture	1 January 2016

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

MFRS 9 Financial Instruments

Key requirements of MFRS 9:-

- 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 statements 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 statements of financial position.

- 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.

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRSs and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

MFRS 9 Financial Instruments (continued)

- 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.

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:

(i) identify the contracts with a customer;
(ii) identify the performance obligation in the contract;
(iii) determine the transaction price;
(iv) allocate the transaction price to the performance obligations in the contract;
(v) 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 5 Non-current Assets Held for Sale and Discontinued Operations

Amendments to MFRS 5 introduce specific guidance on when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution is discontinued.

Amendments to MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 7 provide 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.

Amendments to MFRS 11 Joint Arrangements

Amendments to MFRS 11 clarify that when an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in MFRS 3, it shall apply the relevant principles on business combinations accounting in MFRS 3, and other MFRSs, that do not conflict with MFRS 11. Some of the impact arising may be the recognition of goodwill, recognition of deferred tax assets/liabilities and recognition of acquisition-related costs as expenses. The amendments do not apply to joint operations under common control and also clarify that previously held interests in a joint operation are not re-measured if the joint operator retains joint control.

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRSs and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

Amendments to MFRS 101 Presentation of Financial Statements

Amendments to MFRS 101 improve the effectiveness of disclosures. The amendments clarify 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 prohibit revenue-based depreciation because revenue does not reflect the way in which an item of property, plant and equipment is used or consumed.

Amendments to MFRS 119 Employee Benefits

Amendments to MFRS 119 clarify 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 127 Separate Financial Statements

Amendments to MFRS 127 allow 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 introduce a rebuttable presumption that the revenue-based amortisation method is inappropriate. This presumption can be overcome only in the following limited circumstances:

- when 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.

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, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

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 address the following issues that have arisen in the application of the consolidation exception for investment entities:

- Exemption from presenting consolidated financial statements: the amendments clarify 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 clarify 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.

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRSs and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

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

- Policy choice for equity accounting for investments in associates and joint ventures: the amendments allow 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.

Amendments to MFRS 116 Property, Plant and Equipment and Amendments to MFRS 141 Agriculture

With the amendments, bearer plants would come under the scope of MFRS 116 and would be accounted for in the same way as property, plant and equipment. A bearer plant is defined as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Nevertheless, the produce growing on the bearer plant would remain within the scope of MFRS 141. This is because the growth of the produce directly increases the expected revenue from the sale of the produce. Moreover, fair value measurement of the growing produce provides useful information to users of financial statements about future cash flows that an entity will actually realise as the produce will ultimately be detached from the bearer plants and sold separately.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared under the historical cost basis, except as otherwise disclosed in Note 3.

2.6 Use of estimate and judgement

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 4.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

(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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(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.

(v) Goodwill

Goodwill arises 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 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Impairment of assets

(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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 assets

Financial 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.

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 less accumulated impairment losses, if any. 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 less accumulated impairment loss, if any. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial instruments (continued)

(i) Financial assets (continued)

Available-for-sale financial assets

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

Subsequent to 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.

(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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial instruments (continued)

(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.

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 profit or loss 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 and other income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of discounts, rebates, returns and taxes.

(i) Sales of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. 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 using the effective interest method.

(iii) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(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 and any adjustment to tax payable in respect of previous financial years.

(ii) Deferred tax

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Income tax (continued)

(ii) Deferred tax (continued)

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.

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 profit or loss 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.

3. SUMMARY OF 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.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (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) Impairment of 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.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (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.

5. 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 1 January 2014	3,518	1,374	583	1,733	76	7,284
Additions	-	175	232	543	541	1,491
Disposals	-	-	-	(302)	-	(302)
At 31 December 2014/ 1 January 2015	3,518	1,549	815	1,974	617	8,473
Additions	-	140	153	-	385	678
Disposals	-	(3)	-	(150)	-	(153)
At 31 December 2015	3,518	1,686	968	1,824	1,002	8,998
Accumulated Depreciation						
At 1 January 2014	528	880	308	1,065	25	2,806
Depreciation for the financial year	70	108	91	254	48	571
Disposals	-	-	-	(267)	-	(267)
At 31 December 2014/ 1 January 2015	598	988	399	1,052	73	3,110
Depreciation for the financial year	71	104	101	254	73	603
Disposals	-	(1)	-	(150)	-	(151)
At 31 December 2015	669	1,091	500	1,156	146	3,562
Carrying Amount						
At 1 January 2015	2,920	561	416	922	544	5,363
At 31 December 2015	2,849	595	468	668	856	5,436

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group

a. The land and building with the carrying value of RM2,551,580/- (2014: RM2,614,717/-) have been pledged to a licensed bank to secure the credit facilities granted to the subsidiaries.

b. Motor vehicles with total carrying amount of RM249,083/- (2014: RM349,097/-) 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	
	2015	**2014**
	RM'000	**RM'000**
Office equipment, furniture and fittings	593	334
Machinery	328	203
Motor vehicles	550	701
	1,471	1,238

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2015	**2014**
	RM'000	**RM'000**
Unquoted shares - at cost	16,300	16,300

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**
	2015	**2014**	
	%	**%**	
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.

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Effective ownership interest and voting interest 2015 %	2014 %	Principal activities
Indirect subsidiaries			
Subsidiary of SCC Corporation Sdn. Bhd.			
Positive Insight Sdn. Bhd. ("PI")	100	100	Sale, marketing and distribution of animal health products.
Knowledge Mission Sdn. Bhd. ("KM") *	100	-	Dormant

* On 11th May 2015, the Company through its subsidiary, SCC Corporation Sdn. Bhd. ("SCCC"), acquired 2 ordinary shares of RM1.00/- each of Knowledge Mission Sdn. Bhd. ("KM"), a company incorporated in Malaysia for RM2/- representing 100% of equity interest in KM.

7. GOODWILL ON CONSOLIDATION

	Group 2015 RM'000	2014 RM'000
At 1 January/31 December	8	8

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:

(a) Budgeted gross margin - Gross margin of 50% are based on average values achieved in the past.

(b) Growth rate – The growth rate was assumed to be at 20% based on the expected projection of the food services supplies segments.

(c) Pre-tax discount rate – The discount rate of 17% used is pre-tax and reflects specific risks relating to relevant segments.

Impairment of goodwill

Based on the sensitivity analysis performed, management believes that there is no reasonably possible change in key assumptions that would cause the carrying value of the CGU to exceed its recoverable amount. The estimated recoverable amount of the CGU significantly exceeds the carrying amount of the CGU. As a result of the analysis, management did not identify an impairment for this CGU.

8. INVESTMENT SECURITIES

	Group 2015 RM'000	Group 2014 RM'000
Market value of quoted investment		
Available-for-sale financial assets		
- Equity instruments	67	53

The movements are as below:

	Group 2015 RM'000	Group 2014 RM'000
At 1 January	53	40
Addition	-	2
Fair value adjustment	14	11
At 31 December	67	53

9. INVENTORIES

	Group 2015 RM'000	Group 2014 RM'000
At cost, finished goods:		
Foodservice equipment	4,305	4,136
Animal health products	2,661	1,141
Foodservice supplies	509	520
	7,475	5,797
Recognised in profit or loss:		
Cost of inventories recognised as cost of sales	37,204	20,870

10. TRADE RECEIVABLES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Trade receivables	13,864	10,260	94	155
Less : Allowance for impairment	(293)	(144)	-	-
	13,571	10,116	94	155

a. The Groups' normal trade credits range from 30 to 90 days (2014: 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.

10. TRADE RECEIVABLES (CONTINUED)

b. Ageing analysis of trade receivables

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

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Neither past due nor impaired	9,003	6,219	94	155
1 to 30 days past due but not impaired	3,220	2,803	-	-
31 to 60 days past due not impaired	829	515	-	-
61 to 90 days past due not impaired	327	184	-	-
91 to 120 days past due not impaired	78	96	-	-
More than 121 days past due not impaired	114	299	-	-
	4,568	3,897	-	-
Impaired	293	144	-	-
	13,864	10,260	94	155

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 RM4,567,824/- (2014: RM3,897,412/-) 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 reconciliation of movement in the impairment of trade receivables is as follows:-

	Group	
	2015	**2014**
	RM'000	**RM'000**
Individually impaired		
Trade receivables		
- nominal amounts	5,774	5,114
Less : Allowance for impairment	(293)	(144)
	5,481	4,970

10. TRADE RECEIVABLES (CONTINUED)

b. Ageing analysis of trade receivables (continued)

Receivables that are impaired (continued)

Movement in impairment of trade receivables:-

	Group	
	2015	**2014**
	RM'000	**RM'000**
At 1 January	(144)	(353)
Charge for the financial year	(199)	(64)
Reversal of impairment losses	50	206
Written off	-	67
At 31 December	(293)	(144)

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

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Other receivables	53	222	19	-
Amount owing from subsidiaries	-	-	6,214	6,233
Deposits	170	86	1	1
Prepayments	590	8	-	-
	813	316	6,234	6,234

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

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
United States Dollar	577	215	-	-

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

12. OTHER INVESTMENTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current:				
Financial assets at fair value through profit or loss				
- Unquoted money market fund	8,249	5,473	2,878	-

13. DEPOSITS PLACED WITH LICENSED BANKS

Group

The deposits placed with licensed banks earned effective interest rates ranging at 3.35% - 3.50% (2014: 3.35%) per annum.

14. SHARE CAPITAL

	Group and Company			
	2015		2014	
	Number of shares Units '000	RM'000	Number of shares Units '000	RM'000
Ordinary shares of RM0.50 each				
Authorised:				
At 1 January/31 December	200,000	100,000	200,000	100,000
Issued and fully paid:				
At 1 January/31 December	42,757	21,379	42,757	21,379

15. RESERVES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-distributable				
Share premium	2,667	2,667	2,667	2,667
Fair value reserve	51	37	-	-
	2,718	2,704	2,667	2,667
Distributable				
Retained earnings	11,827	9,697	3,014	1,574
	14,545	12,401	5,681	4,241

(a) 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.

15. RESERVES (CONTINUED)

(b) Fair Value Reserve

	Group	
	2015	2014
	RM'000	RM'000
At the beginning of the financial year	37	26
Fair value adjustment	14	11
At the end of the financial year	51	37

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.

16. HIRE PURCHASE PAYABLES

	Group	
	2015	2014
	RM'000	RM'000
Future minimum hire purchase payments		
- not later than one year	96	96
- later than one year and not later than five years	94	190
	190	286
Less: Future finance charges	(9)	(19)
Present value of hire purchase payables	181	267
Represented by:		
Current		
- not later than one year	90	86
Non-current		
- later than one year and not later than five years	91	181
	181	267

The hire purchase payables bear interest at 4.35% to 4.61% (2014 : 4.35% to 4.61%) per annum.

17. DEFERRED TAX LIABILITIES

	Group	
	2015	2014
	RM'000	RM'000
At 1 January	171	130
Recognised in profit or loss	(4)	41
At 31 December	167	171
Representing the tax effect of:-		
Temporary differences between the carrying amounts and the corresponding tax written down values	167	171

18. TRADE PAYABLES

Group

a. The normal credit terms granted to the Group range from 30 to 90 days (2014: 30 to 90 days).

b. The foreign currency exposure profiles on the trade payable are as follows (foreign currency balances are unhedged):-

	Group	
	2015	**2014**
	RM'000	**RM'000**
Euro Dollar	109	-
United States Dollar	16	150

19. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Other payables	289	125	21	-
Deposits	699	414	-	-
Accruals	665	490	111	114
	1,653	1,029	132	114

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

	Group	
	2015	**2014**
	RM'000	**RM'000**
United States Dollar	-	25

20. REVENUE

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Dividend income	-	-	6,522	4,813
Management fees	-	-	2,525	1,691
Trading sales:				
- foodservice equipment	27,997	26,363	-	-
- animal health products	32,125	15,708	-	-
- foodservice supplies	252	175	-	-
	60,374	42,246	9,047	6,504

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

21. PROFIT BEFORE TAX

Profit before tax is arrived at:-

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
After charging:-				
Auditors' remuneration				
- statutory audit	54	45	12	9
- other services	17	5	9	5
Bad debt written off	2	-	-	-
Depreciation of property, plant and equipment	603	571	-	-
Directors' remuneration:				
- fees	72	72	72	72
- other emolument	2,608	2,546	1,976	873
Hire purchase interests	10	13	-	-
Incorporation expenses	2	2	-	-
Impairment loss on trade receivables	199	64	-	-
Property, plant and equipment written off	2	-	-	-
Realised loss on foreign exchange	12	-	-	-
Rental of premises	430	284	-	-
Staff costs:				
- Salaries, bonus, allowances and overtime	5,332	5,131	358	519
- Employees' Provident Fund	653	679	119	63
- SOCSO	44	41	8	2
- Other related expenses	130	173	2	5
and crediting:-				
Dividend income	1	1	6,522	4,813
Fair value gain on financial assets	276	140	78	-
Gain on disposal of property, plant and equipment	62	13	-	-
Gain on foreign exchange				
- realised	201	116	-	-
- unrealised	51	-	-	-
Interest income	161	231	77	132
Impairment loss on trade receivables no longer required	50	206	-	-
Rental income	172	167	-	-

22. INCOME TAX EXPENSE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Income tax				
- current year	(2,431)	(2,369)	-	(56)
- prior year	27	(31)	(5)	(6)
	(2,404)	(2,400)	(5)	(62)
Deferred tax				
- current year	(4)	(27)	-	-
- prior year	8	(14)	-	-
	4	(41)	-	-
	(2,400)	(2,441)	(5)	(62)

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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before tax	8,806	9,015	5,721	4,966
Tax at Malaysian statutory income tax rate of 25% (2014: 25%)	(2,201)	(2,254)	(1,430)	(1,242)
Tax effects of:				
- non-deductible expenditure	(221)	(155)	(45)	(17)
- deferred tax not recognised on tax losses and temporary differences	(168)	-	(168)	-
- deferred tax recognised on effect of change in tax rate	-	-	(7)	-
- non-taxable income	155	13	1,650	1,203
- over/(under) accrual in prior year	35	(45)	(5)	(6)
Tax expense for the financial year	(2,400)	(2,441)	(5)	(62)

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.

23. 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.

	Group	
	2015	2014
	RM'000	RM'000
Net profit attributable to owners of the Company (RM'000)	6,406	6,574
Weighted average number of ordinary share on issue (Unit'000)	42,757	42,757
Earning per share (sen)	14.98	15.38

(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.

24. DIVIDENDS

	Group and Company	
	2015	2014
	RM'000	RM'000
31st December 2014		
- single-tier interim dividend of 5 sen per ordinary share	-	2,138
- single-tier special dividend of 5 sen per ordinary share	-	2,138
	-	4,276
31st December 2015		
- single-tier interim dividend of 5 sen per ordinary share	2,138	-
- single-tier special dividend of 5 sen per ordinary share	2,138	-
	4,276	-
	4,276	4,276

25. RELATED PARTIES

(a) Identification of Related Parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:-

Related Parties	Relationship
SCC Corporation Sdn. Bhd.	Subsidiary
Anitox (M) Sdn. Bhd.	Subsidiary
SCC Food Manufacturing Sdn. Bhd.	Subsidiary
Positive Insight Sdn. Bhd.	Subsidiary
McDota (M) Sdn. Bhd.	A company in which certain directors have substantial interest
Chee Long Sing @ Cher Hwee Seng	A director of the Company
Sim Ah Choon	Spouse of Mr Cher Sew Seng

25 RELATED PARTIES (CONTINUED)

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Management fees received				
- SCC Corporation Sdn. Bhd.	-	-	1,704	1,296
- Anitox (M) Sdn. Bhd.	-	-	420	387
- SCC Food Manufacturing Sdn. Bhd.	-	-	234	8
- Positive Insight Sdn. Bhd.	-	-	167	-
Dividend income received				
- SCC Corporation Sdn. Bhd.	-	-	4,922	3,213
- Anitox (M) Sdn. Bhd.	-	-	1,600	1,600
Rental paid				
- McDota (M) Sdn. Bhd.	45	36	-	-
- Mr. Cher Hwee Seng	80	36	-	-
- Sim Ah Choon	35	-	-	-

(c) Compensation of key management personnel

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Directors				
Fees	72	72	72	72
Other emolument	2,608	2,546	1,976	873
	2,680	2,618	2,048	945
Other key management personnel compensation				
Salaries and Bonus	1,754	1,664	358	519
Other related expenses	194	201	127	65
	1,948	1,865	485	584

Other key management personnel is 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.

26. 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.

(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.

2015	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	28,249	32,125	-	60,374	-	60,374
Inter-segment						
- sales	2,880	-	-	2,880	(2,880)	-
- management fees received	-	-	2,525	2,525	(2,525)	-
- dividend income	-	-	6,522	6,522	(6,522)	-
Total Revenue	31,129	32,125	9,047	72,301	(11,927)	60,374

26. SEGMENTAL INFORMATION (CONTINUED)

b. Measurement of reportable segments (continued)

2015	Foodservice Equipment RM'000	Animal Health Products RM'000	Others RM'000	Total RM'000	Inter-Segment Elimination RM'000	Consolidated RM'000
Results						
Other income						
- Fair value gain on financial assets	137	62	77	276	-	276
- Interest income	42	41	78	161	-	161
- Rental income	146	251	-	397	(225)	172
- Misc income	243	138	-	381	-	381
Impairment loss ontrade receivables	(199)	-	-	(199)	-	(199)
Impairment loss on trade receivables no longer required	50	-	-	50	-	50
Depreciation	(422)	(181)	-	(603)	-	(603)
Finance costs	(9)	(1)	-	(10)	-	(10)
Taxation expenses	(1,142)	(1,253)	(5)	(2,400)	-	(2,400)
Unallocated corporate expenses	(26,058)	(27,868)	(3,485)	(57,411)	5,615	(51,796)
Segment profit	3,917	3,314	5,712	12,943	(6,537)	6,406
Assets						
Additions to non-current assets	493	185	-	678	-	678
Tax Recoverable	-	-	37	37	-	37
Segment assets	20,525	15,936	4,546	41,007	-	41,007
	21,018	16,121	4,583	41,722	-	41,722
Liabilities						
Deferred tax liabilities	136	31	-	167	-	167
Segment liabilities	2,200	3,298	133	5,631	-	5,631
	2,336	3,329	133	5,798	-	5,798
2014						
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

26. 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
Results						
Other income						
- Fair value gain on financial assets	114	26	-	140	-	140
- Interest income	50	49	132	231	-	231
- 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
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

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.

26. SEGMENTAL INFORMATION (CONTINUED)

d. Information about major customers (continued)

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	
	2015	**2014**
	RM'000	**RM'000**
- Customer A	8,402	6,519
- Customer B	-	5,744

27. 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	**Loan and receivables**	**Available -for-sale**	**Financial assets at fair value through profit or loss**	**Financial liabilities at amortised cost**	**Total**
2015	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial assets					
Investment securities	-	67	-	-	67
Trade receivables	13,571	-	-	-	13,571
Other receivables and deposit	223	-	-	-	223
Other investments	-	-	8,249	-	8,249
Deposits placed with licensed banks	200	-	-	-	200
Cash and bank balances	5,866	-	-	-	5,866
	19,860	67	8,249	-	28,176
Financial liabilities					
Trade payables	-	-	-	2,961	2,961
Other payables, deposit and accruals	-	-	-	1,653	1,653
Hire purchase payables	-	-	-	181	181
	-	-	-	4,795	4,795

27. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Classification of financial instruments (continued)

Group 2014	Loan and receivables RM'000	Available -for-sale RM'000	Financial assets at fair value through profit or loss 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
Other investments	-	-	5,473	-	5,473
Deposits placed with licensed banks	4,897	-	-	-	4,897
Cash and bank balances	4,626	-	-	-	4,626
	19,947	53	5,473	-	25,473
Financial liabilities					
Trade payables	-	-	-	450	450
Other payables, deposit and accruals	-	-	-	1,029	1,029
Hire purchase payable	-	-	-	267	267
	-	-	-	1,746	1,746
Company **2015**					
Financial assets					
Trade receivables	94	-	-	-	94
Other receivables	19	-	-	-	19
Amount owing from subsidiaries	6,214	-	-	-	6,214
Deposits	1	-	-	-	1
Other investments	-	-	2,878	-	2,878
Cash and bank balances	1,649	-	-	-	1,649
	7,977	-	2,878	-	10,855
Financial liabilities					
Accruals	-	-	-	132	132
2014					
Financial assets					
Trade receivables	155	-	-	-	155
Amount owing 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					
Other payables and accruals	-	-	-	114	114

27. FINANCIAL INSTRUMENTS (CONTINUED)

(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.

There have been no transfers between Level 1 and Level 2 during the financial year (2014: no transfer in either directions).

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

	Carrying	Fair value of financial instruments carried			
2015	**amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial assets					
Investment securities	67	67	-	-	67
Other investments	8,249	8,249	-	-	8,249
2014					
Financial assets					
Investment securities	53	53	-	-	53
Other investments	5,473	5,473	-	-	5,473
Company					
2015					
Financial assets					
Other investments	2,878	2,878	-	-	2,878

28. 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.

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.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(i) Credit risk (continued)

a. *Exposure to credit risk (continued)*

Information regarding credit enhancement for trade receivables is disclosed in Note 10 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 basic. 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.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(ii) Liquidity risk (continued)

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:

2015 Group	Carrying amount RM'000	Contractual Undiscounted Cash Flows On demand or within 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
Financial liabilities					
Trade payables	2,961	2,961	-	-	2,961
Other payables, deposits and accruals	1,653	1,653	-	-	1,653
Hire purchase payables	181	96	94	-	190
	4,795	4,710	94	-	4,804
Company					
Financial liabilities					
Accruals	132	132	-	-	132

2014 Group	Carrying amount RM'000	Contractual Undiscounted Cash Flows On demand or within 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
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					
Other payables and accruals	114	114	-	-	114

(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.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Market risk (continued)

(a) Interest rate risk (continued)

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.

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	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Fixed rate instruments				
Financial liabilities				
Hire purchase payables	181	267	-	-
Financial assets				
Deposits placed with licensed bank	200	4,897	-	2,627

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 RM81,182/- (2014 : RM289,274/-) 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.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Market risk (continued)

(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).

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.

29. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

On 11th May 2015, the Company through its subsidiary, SCC Corporation Sdn. Bhd. ("SCCC"), acquired 2 ordinary shares of RM1/- each of Knowledge Mission Sdn. Bhd. ("KM"), a company incorporated in Malaysia for RM2/- representing 100% of equity interest in KM.

30. 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	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total liabilities	5,798	2,936	132	114
Equity attributable to owners of the Company	35,924	33,780	27,060	25,620
Gearing ratio	16.14%	8.69%	0.49%	0.44%

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.

31. COMPARATIVE FIGURES

The following comparative amounts have been reclassified in order to conform to the presentation in the current financial year.

	As previouly reported RM'000	Reclassification RM'000	As restated RM'000
At 31 December 2014			
Group			
Statements of financial position			
Other investment	-	5,473	5,473
Deposits placed with licensed banks	10,370	(5,473)	4,897
Statements of cash flows			
Adjustment for:			
Fair value gain on financial assets	-	(140)	(140)
Interest income	(371)	140	(231)
Cash flows from investing activities			
Net purchase of other investments	-	(300)	(300)
Interest received	371	(140)	231

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 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 period, into realised and unrealised profits and losses.

The following analysis of realised and unrealised profits or losses included in the retained earnings of the Group and the Company as at 31 December 2015 and 31 December 2014 is presented in accordance with the directive of Bursa Malaysia Securities Berhad and prepared 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.

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total retained earnings of the Company and its subsidiaries:				
- Realised	23,673	22,046	2,936	1,574
- Unrealised	400	(118)	78	-
	24,073	21,928	3,014	1,574
Less: Consolidation adjustments	(12,246)	(12,231)	-	-
Total retained earnings	11,827	9,697	3,014	1,574

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
13	Less than 100	302	*
105	100 to 1,000	79,750	0.19
499	1,001 to 10,000	2,579,700	6.03
180	10,001 to 100,000	5,515,381	12.90
33	100,001 to less than 5% of issued shares	15,825,792	37.01
4	5% and above of the issued shares	18,756,075	43.87
834	**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.	HSBC Nominees (Tempatan) Sdn Bhd *HSBC (M) Trustee Bhd for RHB Equity Trust*	1,972,200	4.61
6.	HSBC Nominees (Tempatan) Sdn Bhd *HSBC (M) Trustee Bhd for RHB Small Cap Opportunity*	1,670,400	3.90
7.	Soh Kian Teck	1,380,284	3.23
8.	Chu Sou Taik	1,326,197	3.10
9.	Tee Meng Hock	1,095,056	2.56
10.	Ong Gee Leng	1,062,171	2.48
11.	Tee Meng Hock	909,056	2.13
12.	Affin Hwang Nominees (Asing) Sdn Bhd *UOB Kay Hian Pte Ltd for Lin Chai Chin*	848,060	1.98
13.	HSBC Nominees (Tempatan) Sdn Bhd *HSBC (M) Trustee Bhd for RHB Emerging Opportunity Trust*	779,600	1.82
14.	Chu Sou Taik	688,000	1.61
15.	Moke Ah Kow	390,000	0.91
16.	Cher Chou Chiang	300,000	0.70
17.	Tey Ser Kok @ Teh Ser Kok	250,000	0.59
18.	Cher Lip Chun	249,940	0.59
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
21.	Low Kwi Yeen	200,000	0.47
22.	Look Kan Chai @ Look Shee Kiem	200,000	0.47

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

	Name of Shareholders	No. of Shares Held	Percentage (%)
23.	HSBC Nominees (Tempatan) Sdn Bhd *HSBC (M) Trustee Bhd for Manulife Investment*	176,300	0.41
24.	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB Bank for Mak Tian Meng (MY0343)*	169,600	0.40
25.	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ting Siew Pin (8118995)*	164,600	0.39
26.	Siow Kin Leong	150,000	0.35
27.	Kor Beng	150,000	0.35
28.	HSBC Nominees (Tempatan) Sdn Bhd *HSBC (M) Trustee Bhd for RHB Smart Balanced Fund*	150,000	0.35
29.	Goh Thong Beng	143,000	0.33
30.	Chern Boon Seng	131,028	0.31
	TOTAL	**33,764,967**	**78.96**

SUBSTANTIAL SHAREHOLDERS (AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

		NO. OF SHARES HELD			
	NAME OF SHAREHOLDERS	DIRECT	%	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)

		NO. OF SHARES HELD			
	NAME OF DIRECTORS	DIRECT	%	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^	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. 2015	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	19 years	RM776,030	June 1994
No. 58, Jalan Kapar 27/99, Seksyen 27, 40400 Shah Alam (PT No 4823)	Company Warehouse/ factory 1+1/2 storey factory	4,680 / 3,888	Freehold	9 years	RM393,668	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	9 years	RM393,668	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	13 years	RM 361,073	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	13 years	RM346,508	March 1999
No. 15 & 15A Jalan Hujan, Taman Oversea Union, 59200 Kuala Lumpur (Lot 9383)	Company Office Double Story Shoplot	1,600 / 3,200	Freehold	45 years	RM296,472	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	19 years	RM280,669	June 1994

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixteenth (16th) Annual General Meeting of **SCC HOLDINGS BERHAD** will be held at Swan I, 7th Floor, Pearl International Hotel, Batu 5, Jalan Klang Lama 58000 Kuala Lumpur on **Wednesday, 25 May 2016 at 3.00 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 2015 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 2015. **(Ordinary Resolution 2)**

3. To re-elect the following Directors who retire pursuant to Article 90 of the Company's Articles of Association:-

   (i) Mr Chu Soo Meng **(Ordinary Resolution 3)**

   (ii) Mr Cher Lip Chun **(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 years 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 years 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**

   "**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." **(Ordinary Resolution 8)**

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.

By Order of the Board
SCC HOLDINGS BERHAD

WONG KEO ROU (MAICSA 7021435)
Company Secretary
Kuala Lumpur

29 April 2016

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 19 May 2016 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 16th 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 25 June 2015 and this authority will lapse at the conclusion of the Sixteenth 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.

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SCC HOLDINGS BERHAD (511477-A)
(Incorporated in Malaysia)

No of shares held

FORM OF PROXY

I/We ______________________________ (NRIC No./Co. 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 16th Annual General Meeting of the Company to be held at Swan I, 7th Floor, Pearl International Hotel, Batu 5, Jalan Klang Lama 58000 Kuala Lumpur on Wednesday, 25 May 2016 at 3.00 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 2015 and the Directors' and Auditors' Reports thereon		
2.	Payment of Directors' Fees		
3.	Re-election of Mr Chu Soo Meng		
4.	Re-election of Mr Cher Lip Chun		
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 ________________ 2016.

____
Signature(s) of member(s)

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.
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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.
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Fold this flap for sealing

Then fold here

AFFIX
STAMP

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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SCC HOLDINGS BERHAD
511477-A

19 - 21, JALAN HUJAN, TAMAN OVERSEAS UNION
58200 KUALA LUMPUR, MALAYSIA
T: (603) 7782 8384
F: (603 7781 8561
E: sccholdings@scc.com.my

www.scc.com.my