

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Preceding Year	Current Quarter	Current Year to Date	Preceding Year
	Ended	Ended	Ended	To Date
	31-Dec-2016	31-Dec-2015	31-Dec-2016	31-Dec-2015
	RM'000	RM'000	RM'000	RM'000
	Unaudited	Unaudited	Unaudited	Audited
Revenue	15,952	17,295	60,646	60,373
Cost of sales	(10,070)	(10,933)	(36,504)	(37,809)
Gross profit	5,882	6,362	24,143	22,564
Other income	334	364	879	1,026
Administrative and other operating expenses	(306)	(834)	(9,149)	(9,087)
Selling and distribution expenses	(2,009)	(1,970)	(5,977)	(4,919)
Operating profit	3,901	3,922	9,896	9,584
Depreciation	(209)	(170)	(694)	(603)
Allowance for impairment	(280)	(200)	(280)	(202)
Finance costs	(1)	(0)	(7)	(8)
Profit before taxation	3,410	3,552	8,915	8,771
Taxation	(559)	(594)	(2,279)	(2,398)
Profit for the period	2,851	2,958	6,636	6,373
Other comprehensive income	8	10	7	14
Total comprehensive income for the period	2,859	2,968	6,642	6,387
Profit after taxation attributable to the equity holders of the Company	2,851	2,958	6,636	6,373
Total comprehensive income attributable to the equity holders of the Company	2,859	2,968	6,642	6,387
Weighted average no. of ordinary shares in issue ('000)	42,776	42,757	42,728	42,757
Earnings per share (sen):				
- Basic	6.67	6.92	15.53	14.90
- Diluted	6.67	6.92	15.53	14.90

Note:

- 1) The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended ("FYE") 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	UNAUDITED As at 31-Dec-2016 RM'000	AUDITED As At 31-Dec-2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	5,439	5,436
Investment securities	54	67
Goodwill on consolidation	8	8
	<u>5,501</u>	<u>5,511</u>
Current Assets		
Inventories	8,422	7,475
Trade receivables	13,090	13,571
Other receivables, deposits and prepayments	(1,935)	813
Tax recoverable		37
Other investments	15,768	8,249
Fixed Deposits placed with licensed banks	3,181	200
Cash and bank balances	314	5,866
	<u>38,839</u>	<u>36,211</u>
TOTAL ASSETS	<u>44,340</u>	<u>41,722</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	21,388	21,379
Share premium	2,696	2,667
Retained profits	16,325	11,827
Reserve	58	51
Total equity	<u>40,466</u>	<u>35,924</u>
Non current liabilities		
Deferred tax liabilities	284	167
Hire purchase payable	27	91
	<u>311</u>	<u>258</u>
Current liabilities		
Trade payables	4,546	2,961
Other payables, deposits and accruals	(1,010)	1,653
Hire purchase payables	64	90
Tax payables	(38)	836
	<u>3,563</u>	<u>5,540</u>
Total liabilities	<u>3,874</u>	<u>5,798</u>
TOTAL EQUITY AND LIABILITIES	<u>44,340</u>	<u>41,722</u>
 Net assets per share attributable to ordinary equity owners of the Company (sen)	 94.60	 84.02

Note:

- 1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016**

	Attributable to Equity Holders of the Company				
		<u>Non-Distributable</u>		<u>Distributable</u>	
	Share Capital RM'000	Share Premium RM'000	Fair value Adjustment Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
Balance as at 1.1.2015	21,379	2,667	37	9,697	33,780
Dividends	-	-	-	(4,276)	(4,276)
Total comprehensive income for the financial year	-	-	14	6,406	6,420
At 31 December 2015 (<i>Audited</i>)	21,379	2,667	51	11,827	35,924
Balance as at 1.1.2016	21,379	2,667	51	11,827	35,924
Issue of new shares	9	29	-	-	38
Dividends	-	-	-	(2,139)	(2,139)
Total comprehensive income for the financial period	-	-	7	6,636	6,643
Balance as at 31.12.2016 (Unaudited)	21,388	2,696	58	16,324	40,466

Note:

- 1) The Unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016**

	Current Year To Date Ended 31-Dec-2016 (Unaudited) RM'000	Preceding Year To Date Ended 31-Dec-2015 (Audited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,915	8,806
Adjustments for		
- Bad debts written off		2
- Depreciation	694	603
- Dividend income	(1)	(1)
- Fair value gain on financial assets	(377)	(276)
- Interest expense	7	10
- Gain on disposal of property, plant and equipment	13	(62)
- Impairment loss on trade receivables	280	199
- Interest income	(35)	(161)
- Property, plant and equipment written off	-	2
- Reversal of impairment loss on trade receivables	(159)	(50)
- Unrealised gain on foreign exchange	(16)	(51)
Operating profit before working capital changes	9,321	9,021
Changes in working capital		
Inventories	(947)	(1,678)
Receivables	239	(4,103)
Payables	1,809	3,135
Net cash generated from operations	10,422	6,375
Taxation refund	-	72
Taxation paid	(3,024)	(2,629)
Net cash flows from operating activities	7,398	3,818
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investment/property, plant and equipment	57	62
Net movement in investment securities	(0)	-
Net (purchase/withdrawal of other investments)	(5,830)	(2,500)
Dividend received	1	1
Interest received	35	161
Purchase of property, plant and equipment	(769)	(678)
Net cash flows from investing activities	(6,506)	(2,954)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(7)	(10)
Dividend paid	(2,139)	(4,276)
Deposits ceased pledged with licensed banks	-	-
Net proceeds from issuance of ordinary shares	38	-
Repayment of hire purchase liabilities	(90)	(86)
Net cash used in financing activities	(2,197)	(4,372)
Net Changes In Cash And Cash Equivalents	(1,305)	(3,508)
Cash And Cash Equivalents At The Beginning Of The Period	6,066	9,523
Effect of exchange rate changes on cash and cash equivalents	16	51
Cash And Cash Equivalents At The End Of The Period	4,777	6,066
Analysis of Cash And Cash Equivalents		
Deposits with licensed banks	3,570	200
Cash and bank balances	1,207	5,866
	4,777	6,066

Note:

- 1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 December 2016

(a) NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (MFRS 134): INTERIM FINANCIAL REPORTING

A1. Basis of reporting preparation

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134: Interim Financial Reporting and Appendix 9B of the Bursa Malaysia Securities Berhad ACE Market Listing Requirements.

The interim financial statements should be read in conjunction with the Audited Financial Statements of the Company for the FYE 31 December 2015 and the accompanying explanatory notes attached to the interim financial report.

A2. Summary of significant accounting policies

The accounting policies and methods of computation adopted by SCC and its subsidiary companies ("SCC Group" or "Group") in the preparation of this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2015.

The application of the following new/revised MFRSs, Issues Committee ("IC") Interpretations, amendments to MFRSs and IC Interpretations, issued by the Malaysian Accounting Standards Board ("MASB"), which are mandatory and will be effective for the financial periods as stated below, will have no material impact on the financial statements of the Group and of the Company:

<u>New MFRSs</u>		Effective for financial periods commencing on or after
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from contracts with Customers	1 January 2018
<u>Amendments/Improvements to MFRSs</u>		
MFRS 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
MFRS 7	Financial Instruments: Disclosures	1 January 2016
MFRS 10	Consolidation Financial Statement	Deferred / 1 January 2016
MFRS 11	Joint Arrangements	1 January 2016
MFRS 12	Disclosures of Interests 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

The Group did not adopt the following standards that have been issued by the Malaysian Accounting Standards Board as these are effective for financial period beginning on or after 1 January 2016.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

A3. Auditors' report

There was no qualification on the audited financial statements of the Group for the FYE 31 December 2015.

A4. Seasonal or cyclical factors

The operations of the Group were not significantly affected by seasonal or cyclical factors during the current quarter and current year to date under review.

A5. Items of unusual nature and amount

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter and current year to date under review.

A6. Material changes in estimates

There were no changes in the estimates that had a material effect in the current quarter and period to date results.

A7. Issuances, cancellations, repurchase, resale and repayments of debt and equity securities

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities for the current quarter and current year to date under review.

A8. Dividends paid

There was no dividend paid during the financial period ended 31 December 2016 and preceding year's corresponding period ended 31 December 2015.

A9. Segmental information

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

	Animal Health Products RM'000	Foodservice Equipment RM'000	Supplies RM'000	Food Manufacturing RM'000	Others RM'000	Total RM'000	Inter-segment Elimination RM'000	Consolidated RM'000
RESULTS FOR THE CURRENT QUARTER ENDED 31 DECEMBER 2016								
REVENUE								
External revenue	8,476	3,135	4,254	86	-	15,952	-	15,952
Inter-segment								
- sales	-	-	-	1,003	-	1,003	(1,003)	-
- management fees received	-	-	-	-	897	897	(897)	-
- dividend received	-	-	-	-	1,000	1,000	(1,000)	-
Total revenue	8,476	3,135	4,254	1,089	1,897	17,852	(1,900)	15,952
Segment profit	900	344	466	(25)	2,210	3,895	(1,043)	2,851

	Animal Health Products RM'000	Foodservice Equipment RM'000	Supplies RM'000	Food Manufacturing RM'000	Others RM'000	Total RM'000	Inter-segment Elimination RM'000	Consolidated RM'000
RESULTS FOR THE CURRENT QUARTER ENDED 31 DECEMBER 2015								
REVENUE								
External revenue	7,904	4,792	4,567	32	-	17,295	-	17,295
Inter-segment								
- sales	-	-	-	975	-	975	(975)	-
- management fees received	-	-	-	-	645	645	(645)	-
- dividend received	-	-	-	-	1,022	1,022	(1,022)	-
Total revenue	7,904	4,792	4,567	1,007	1,667	19,937	(2,642)	17,295
Segment profit	1,166	352	471	154	1,967	4,110	(1,152)	2,958

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

A10. Valuation of property, plant and equipment

There was no valuation of property, plant and equipment in the current quarter under review.

A11. Capital commitments

As at the balance sheet date, there was no outstanding capital commitments not provided for in the interim financial report.

A12. Material subsequent event

There was no material subsequent event.

A13. Changes in the composition of the Group

There was no change in the composition of the Group for the current quarter under review.

A14. Contingent liabilities and contingent assets

There were no contingent liabilities and contingent assets, which upon becoming enforceable may have a material effect on the net assets, profits or financial position of the Group for the current quarter and current year to date under review since the last annual balance sheet date.

A15. Significant related party transactions

Save as disclosed in the Audited Financial Statements for the FYE 31 December 2015, there were no other significant related party transactions for the current quarter under review.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review of performance

The comparison of the current year 4th quarter revenue against previous year 4th quarter revenue is set out below:

	Current Quarter Ended 31-Dec-16 RM'000	Corresponding Quarter ended 31-Dec-15 RM'000	Variance RM'000
Revenue - Animal Health Product Division	8,476	7,904	572
- Foodservice Equipment Division	7,389	9,359	(1,970)
- Food Manufacturing Division	87	32	55

The Group achieved revenue of RM15.95 million for the current quarter ended 31 December 2016 as compared to RM17.29 million in the preceding year quarter ended 31 December 2015. The decrease in revenue by approximately 7.75% compared to the preceding year corresponding quarter was mainly due to reasons as explained below.

During the current quarter ended 31 December 2016, Animal Health Product Division recorded revenue of RM8.48 million as compared to RM7.90 million in the preceding year quarter ended 31 December 2015. The increase of approximately 7.34% was due to the introduction of new products from Canada during the current quarter.

During the current quarter ended 31 December 2016, Foodservice Equipment Division recorded revenue of RM7.39 million as compared to RM9.36 million in the preceding year quarter ended 31 December 2015. The decrease of approximately 21.05% was due to the overall reduction of sales in equipment during the current quarter.

During the current quarter ended 31 December 2016, Food Manufacturing Division recorded revenue of RM0.09 million as compared to RM0.03 million in the preceding year quarter ended 31 December 2015. The increase of approximately 200% was due to the increase in demand from customers during the current quarter.

	Current Year to date ended 31-Dec-16 RM'000	Preceding Year to date ended 31-Dec-15 RM'000	Variance RM'000
- Animal Health Product Division	29,909	32,134	(2,225)
- Foodservice Equipment Division	30,314	27,988	2,327
- Food Manufacturing Division	423	251	172

The Group achieved revenue of RM60.65 million for the current year to date ended 31 December 2016 as compared to RM60.37 million in the preceding year to date ended 31 December 2015. The increase in revenue by approximately 0.46% compared to the preceding year to date was mainly due to reasons as explained below.

During the current year to date ended 31 December 2016, Animal Health Product Division recorded revenue of RM29.91 million as compared to RM32.13 million in the preceding year ended 31 December 2015. The decrease of approximately 6.92% was due to the decreased in demand and falling prices of the amino acid in animal feeds during the current year to date.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

B1. Review of performance (cont'd)

During the current year to date ended 31 December 2016, Foodservice Equipment Division recorded revenue of RM30.31 million as compared to RM27.99 million in the preceding year ended 31 December 2015. The increase of approximately 8.29% was mainly due to higher demand for the food supplies and foodservice equipment from the customers.

During the current year to date ended 31 December 2016, Food Manufacturing Division recorded revenue of RM0.42 million as compared to RM0.25 million in the preceding year ended 31 December 2015. The increase of approximately 68.0% is mainly due to higher demand for the food supplies from the customers.

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

For current quarter ended 31 December 2016, the Group achieved a profit before tax of approximately RM3.41 million as compared to RM0.86 million in the immediate preceding quarter ended 30 September 2016. The increased in profit before taxation of RM2.55 million, representing an increase of approximately 296.51% was mainly due to the adjustment of previously over provision of expenses and improve of sales revenue during current quarter.

B3. Prospects

2016 ended with many uncertainties concerning economy, changes in political climate and overhauling of trade policies, worrying the businesses not only in Malaysia but throughout the world.

The pressure of depreciating Ringgit Malaysia affected SCC the most, increasing our imports and operating costs. Even though we managed to maintain the performance similar to year 2015, coupled with the lower price for the animal feed commodity, profit margin for the Group are faced with tremendous pressure.

SCC would be celebrating its 45th anniversary in 2017 and is looking to further diversify its business and expand its products range for food supplies, foodservice equipment and animal health products divisions to suit the requirement and budget of currently untapped markets.

The Board of Directors will exercise extra caution in conducting their duties during these uncertain and difficult periods. However, we are optimistic of the Group's long term prospect in the future.

B4. Profit forecast

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

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

B5. Taxation

	Current Quarter Ended 31-Dec-2016 RM'000	Preceding Year Corresponding Quarter Ended 31-Dec-2015 RM'000	Current Year-To-Date Ended 31-Dec-2016 RM'000	Preceding Year- To-Date Ended 31-Dec-2015 RM'000
Income tax:				
- current year	442	564	2,279	(2,368)
- (Over) / under provision of tax in prior year	-	35	-	(35)
	442	599	2,279	(2,403)
Deferred tax				
- Relating to origination and reversal of temporary difference	117	3	117	3
- (Over) /under provision of tax in prior year	-	(8)	-	(8)
	559	594	2,396	(2,408)

The Group's effective tax rate for the current quarter 31 December 2016 is 16.39% due to certain adjustment to provisions during the year and current year to date ended 31 December 2016 was 25.56% which was higher than the statutory rate due to certain non tax-deductible expenses.

B6. Status of corporate proposal

There is no corporate proposal announced but not completed at a date not earlier than 7 days from the date of this quarterly report.

B7. Group borrowings and debt securities

The Group's borrowings as 31 December 2016 were as follow:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Short term borrowings:-</u>			
Hire purchase payables	64	-	64
	64	-	64
<u>Long term borrowings:-</u>			
Hire purchase payables	27	-	27
	27	-	27
Total borrowings	91	-	91

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

B8. Material litigation

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

B9. Dividend

No dividend was proposed or declared for the current financial period ended 31 December 2016.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

B10. Earnings per share

The basic and diluted earnings per share is calculated based on the Group's profit after tax attributable to equity holders of the Company divided by the weighted average number of ordinary shares as follows:

	Current Quarter Ended 31-Dec-16 RM'000	Corresponding Quarter Ended 31-Dec-15 RM'000	Current Year-To-Date Ended 31-Dec-16 RM'000	Corresponding Year -To -Date Ended 31-Dec-15 RM'000
Group's profit after tax attributable to ordinary equity holders of the parent(RM)	2,852	2,958	6,635	6,406
Weighted average number of ordinary shares	42,776	42,757	42,728	42,757
Earnings per share (sen)	6.67	6.92	15.53	14.98

B11. Supplementary information on the disclosure of realised and unrealised profit

The amounts of realised and unrealised profits included in the retained profit of the Group are as follows:

	Unaudited As at 31-Dec-2016 RM'000	Audited As at 31-Dece-15 RM'000
Total retained profits of the Group		
- Realised	28,608	23,673
- Unrealised	(43)	400
	28,565	24,073
Add: Consolidation adjustments	(12,241)	(12,246)
	16,324	11,827

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

B12. Profit for the year

Profit for the current quarter ended 31 December 2016 was arrived at after crediting / (charging) the following:

	Current Quarter Ended	Current Year to Date Ended
	31-Dec-16 RM'000	31-Dec-16 RM'000
Interest income	15	40
Other income including investment income	268	783
Interest expenses	(1)	(6)
Depreciation and amortization	(209)	(694)
Provision for and write off of receivables	(280)	(280)
Provision for and write off of inventories	-	-
Gain on disposal of quoted or unquoted investments or properties	2	(13)
Impairment of assets	-	-
Foreign exchange gain /(loss)	49	64
Gain / (loss) on derivatives	-	-
Exceptional items (with details)	-	-

B13. Authorisation for issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 27 February 2017.

By order of the board
SCC Holdings Berhad

Wong Yuet Chyn (MAICSA 7047163)
Company Secretary
Kuala Lumpur
Date: 27 February 2017