

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

	3 months ended 30 June			6 months ended 30 June		
	2021 RM'000 Unaudited	2020 RM'000 Unaudited	%	2021 RM'000 Unaudited	2020 RM'000 Unaudited	%
Revenue	11,653	7,891	48%	22,367	21,595	4%
Cost of sales	(8,992)	(5,408)		(16,356)	(14,562)	
Gross profit	2,661	2,483	7%	6,011	7,033	-15%
Other income	215	269		474	522	
Administrative and other operating expenses	(2,445)	(2,896)		(5,556)	(5,988)	
Selling and distribution expenses	(704)	(510)		(1,256)	(1,432)	
Operating (loss)/profit	(273)	(654)	-58%	(327)	135	-343%
Finance costs	(17)	(17)		(29)	(33)	
(Loss)/Profit before taxation	(290)	(671)	-57%	(356)	102	-449%
Taxation	(31)	13		(178)	(331)	
Loss for the period	(321)	(658)	-51%	(534)	(229)	133%
Other comprehensive income	(9)	12		(14)	(4)	
Total comprehensive loss for the period	(330)	(646)	-49%	(548)	(233)	135%
Loss after taxation attributable to the equity holders of the Company	(321)	(658)		(534)	(229)	
Total comprehensive loss attributable to the equity holders of the Company	(330)	(646)		(548)	(233)	
Weighted average no. of ordinary shares in issue ('000)	141,160	141,160		141,160	141,160	
Loss per share (sen):						
- Basic	(0.23)	(0.47)		(0.38)	(0.16)	
- Diluted	(0.23)	(0.47)		(0.38)	(0.16)	

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 2020 and the accompanying explanatory notes attached to the interim financial statements.

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	UNAUDITED As at 30/06/2021 RM'000	AUDITED As At 31/12/2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,669	4,843
Investment securities	72	74
Right of Use Assets	759	596
Goodwill on consolidation	8	8
	5,508	5,521
Current Assets		
Inventories	9,615	11,318
Trade receivables	9,175	9,647
Other receivables, deposits and prepayments	539	946
Tax recoverable	649	365
Other investment	19,657	17,592
Cash and bank balances	6,065	6,011
	45,700	45,879
TOTAL ASSETS	51,208	51,400
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	24,079	24,079
Reserves	19,942	20,490
Total equity	44,021	44,569
Non current liabilities		
Deferred tax liabilities	97	97
Long Term Lease	518	309
	615	406
Current liabilities		
Trade payables	4,237	4,581
Other payables, deposits and accruals	2,059	1,414
Short term lease	274	330
Tax payables	2	100
	6,572	6,425
Total liabilities	7,187	6,831
TOTAL EQUITY AND LIABILITIES	51,208	51,400
Net assets per share attributable to ordinary equity owners of the Company (sen)	31.19	31.57

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 2020 and the accompanying explanatory notes attached to the interim financial statements.

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

	Non-Distributable				Distributable	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Fair value Adjustment Reserve RM'000	Foreign Currency Translation Reserve RM'000	Retained Profits RM'000	
Balance as at 1.1.2020	24,079	-	64	3	18,890	43,036
Total comprehensive income for the financial year	-	-	2	9	1,522	1,533
At 31.12. 2020 (<i>Audited</i>)	24,079	-	66	12	20,412	44,569
Balance as at 1.1.2021	24,079	-	66	12	20,412	44,569
Total comprehensive loss for the financial year	-	-	(0)	(14)	(534)	(548)
Balance as at 30.06.2021 (<i>Unaudited</i>)	24,079	-	66	(2)	19,878	44,021

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 2020 and the accompanying explanatory notes attached to the interim financial statements.

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2021

	6 months ended 30/06/2021 RM'000	12 months ended 31/12/2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(356)	2,560
Adjustments for		
- Depreciation	498	1,050
- Gain/loss on disposal of property, plant and equipment	-	-
- Gain/ loss on forgiven lease payments	(19)	(20)
- Impairment loss on trade receivables	-	274
- Fixed asset written off	27	-
- Reversal of impairment loss on trade receivables	(1)	(314)
- Dividend received	(0)	(1)
- Unrealised loss/(gain) on foreign exchange	-	(160)
- Fair value gain on financial assets	(165)	(372)
- Interest income	(19)	(50)
- Interest expenses	31	63
Operating (loss)/profit before working capital changes	(4)	3,030
Changes in working capital		
Inventories	1,708	(460)
Receivables	2,231	3,962
Payables	(1,323)	893
Net cash generated from operations	2,612	7,425
Interest received	19	50
Interest expenses	-	(63)
Taxation refund	-	-
Taxation paid	(560)	(1,910)
Net cash flows from operating activities	2,071	5,502
CASH FLOWS FROM INVESTING ACTIVITIES		
Net purchase of other investments	(1,598)	(2,495)
Sales proceeds on disposal of property, plant and equipment	-	-
Dividend received	-	1
Dividend paid	-	(2,400)
Purchase of property, plant and equipment	(188)	(158)
Net cash flows from investing activities	(1,786)	(5,052)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Financial Liabilities	(185)	(371)
Net cash used in financing activities	(185)	(371)
Net Changes In Cash And Cash Equivalents	100	79
Cash And Cash Equivalents At The Beginning Of The Period	5,956	5,764
Effect of exchange translation differences on cash and cash equivalents	9	168
Cash And Cash Equivalents At The End Of The Period	6,065	6,011
Analysis of Cash And Cash Equivalents		
Cash and bank balances	6,065	6,011
Less: Bank borrowings	-	-
	6,065	6,011

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 2020 and the accompanying explanatory notes attached to the interim financial statements.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

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 2020 and the accompanying explanatory notes attached to the interim financial report.

A2. Summary of significant accounting policies

The significant accounting policies adopted in the preparation of the interim financial statements are consistent with those used in the preparation of the Group's audited financial statements for the financial year ended 31 December 2020 except for the adoption of the pronouncements that become effective from 1 January 2021.

MFRSs and amendments effective for annual period beginning on or after 1 January 2021:

Amendments to MFRS 3: Definition of a Business
 Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
 Amendments to MFRS 101 and MFRS 108: Definition of Material
 The Conceptual Framework for Financial Reporting (Revised 2018)
 Amendments to MFRS 16 Leases – COVID-19-Related Rent Concessions 1 June 2020
 Extension of the temporary exemption from applying MFRS 9 17 August 2020
 (Amendments to MFRS 4 Insurance Contracts)

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

The Group has not applied the following new MFRSs, new interpretations and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group:

		Effective dates for financial periods beginning on or after
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116	Proceeds before Intended Use for Property, plant and Equipment	1 January 2022
	Annual improvements to MFRS standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 Business Combinations	Reference to conceptual frameworks	1 January 2022

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021

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

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
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The Group plans to apply the abovementioned accounting standards, interpretation and amendments when they become effective, except for MFRS 17 *Insurance Contracts*, as it is not applicable to the Group. The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the financial statements.

A3. Auditors' report

There was no qualification on the audited financial statements of the Group for the FYE 31 December 2020.

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 30 June 2021

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021

A9. Segmental information

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

	3 months ended		6 months ended	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000	RM'000	RM'000	RM'000
Loss				
Reportable segment loss	(321)	(658)	(534)	(229)
<i>Included in the measure of segment loss are:</i>				
Revenue - Animal Health Products	8,183	6,072	15,260	14,351
- Foodservice Equipment	2,430	1,098	4,684	4,457
- Food Supplies	1,040	721	2,413	2,784
- Food Manufacturing	-	-	10	4
	11,653	7,891	22,367	21,595
Add: Inter-segment sales	3,669	1,230	4,997	2,949
Total revenue before eliminating inter company transaction	15,322	9,121	27,364	24,544
Depreciation of property, plant and equipment	(168)	(135)	(335)	(326)
Reconciliation of reportable segment loss and revenue				
Loss				
Reportable segment revenue	11,653	7,891	22,367	21,595
Unallocated expenses	(11,936)	(8,575)	(22,713)	(21,526)
Finance cost	(17)	-	(29)	-
Finance income	10	13	19	33
Taxation	(31)	13	(178)	(331)
Consolidated loss after tax	(321)	(658)	(534)	(229)
Revenue				
Reported segment	11,653	7,891	22,367	21,595
Non-reportable segment	-	-	-	-
Consolidated revenue	11,653	7,891	22,367	21,595

No segmental information is provided on a geographical basis as the Group's activities are carried out predominantly in Malaysia. Revenue from subsidiary in Cambodia has been consolidated in the reported revenue of the Foodservice Equipment and Food Supplies segments.

Segment assets

Segment assets information is not presented regularly to Board of Directors and hence, no disclosure is made on segment assets.

Segment liabilities

Segment liabilities information is not presented regularly to Board of Directors and hence, no disclosure is made on segment liabilities.

The comments on page 5 apply to operating segments.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021

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 2020, there were no other significant related party transactions for the current quarter under review.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021

B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review of performance

The comparison of the current year 2nd quarter revenue against previous year 2nd quarter revenue is set out below:

	3 months ended 30 June			6 months ended 30 June		
	30/06/2021	30/06/2020	Change	30/06/2021	30/06/2020	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	11,653	7,891	48%	22,367	21,595	4%
Cost of sales	(8,992)	(5,408)	66%	(16,356)	(14,562)	12%
Gross profit	2,661	2,483	7%	6,011	7,033	-15%
(Loss)/Profit before interest and tax	(273)	(654)	-58%	(327)	135	-343%
(Loss)/Profit before tax	(290)	(671)	-57%	(356)	102	-449%
Loss after tax	(321)	(658)	-51%	(534)	(229)	133%

Quarter Ended 30 June 2021 compared to Quarter Ended 30 June 2020

The Group's revenue for the current quarter ended 30 June 2021 increased by 48% to RM11.653 million compared to RM7.891 million in the preceding corresponding quarter ended 30 June 2020. The increase was mainly due to reasons as explained below.

During the current quarter ended 30 June 2021, Animal Health Product Division recorded revenue of RM8.183 million as compared to RM6.072 million in the preceding corresponding quarter ended 30 June 2020. The increase of approximately 35% was due to increase in demand by customers.

During the current quarter ended 30 June 2021, Foodservice Equipment Division recorded revenue of RM3.470 million as compared to RM1.819 million in the preceding year quarter ended 30 June 2020. The increase of approximately 91% was mainly due to higher demand by customers as compared to the preceding year quarter which was seriously undermined by the Movement Control Order (MCO 1.0).

During the current quarter ended 30 June 2021 and the preceding corresponding quarter ended 30 June 2020, Food Manufacturing Division did not record any sales because all its sales were made to related companies during the aforementioned periods.

The loss before tax for the current quarter ended 30 June 2021 decreased by 57% as compared to the preceding corresponding quarter ended 30 June 2020, mainly due to increase in revenue caused by higher demand from customers.

Six Months Ended 30 June 2021 compared to Six Months Ended 30 June 2020

The Group achieved revenue of RM22.37 million for the current year ended 30 June 2021 as compared to RM21.60 million in the preceding year to date ended 30 June 2020. The increase in revenue by approximately 4% was mainly due to reasons as explained below.

During the current year to date ended 30 June 2021, Animal Health Product Division recorded revenue of RM15.26 million as compared to RM14.35 million in the preceding year to date ended 30 June 2020. The increase of approximately 6% was due to higher demand from customers.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021

Review of performance (cont'd)

During the current year to date ended 30 June 2021, Foodservice Equipment Division recorded revenue of RM7.097 million as compared to RM7.241 million in the preceding year ended 30 June 2020. The decrease of approximately 2% was due to overall decreased demand for our food service equipment and food supplies by our customers caused by the Covid-19 pandemic.

During the current year to date ended 30 June 2021, Food Manufacturing Division recorded revenue of RM0.010 million as compared to RM0.004 million. The increase of approximately 150% was due to increase in demand from customers during the current year to date.

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

	3 months ended		
	30/06/2021	31/03/2021	Change
	RM'000	RM'000	%
Revenue	11,653	10,714	9%
Operating loss	(273)	(54)	405%
Loss before interest and tax	(273)	(54)	405%
Loss before tax	(290)	(66)	340%
Loss after tax	(321)	(213)	51%

For current quarter ended 30 June 2021, the Group recorded a loss before tax of approximately RM0.290 million as compared to a loss before tax of RM0.066 million in the immediate preceding quarter ended 31 March 2021. The significant increase in loss before taxation compared to the immediate preceding quarter was mainly due to decrease in gross profit and increase in selling and distribution expenses during the current quarter.

B3. Prospects

The current market sentiment remains fragile amidst record high daily Covid-19 cases in the country caused by the emergence of the highly infectious Delta variant coupled with political turmoil brewing at home.

Fresh lockdown measures as part of the National Recovery Plan (NRP) that started in June has also led to restricted working capacity for some economic sectors and limitations on people's mobility and social activities.

Taking in consideration the aforesaid, the Group foresees that the financial performance for the remaining quarters to be still challenging.

Nevertheless, the Group will continue to take steps to enhance its competitiveness and productivity to ensure its long-term sustainability.

There are hopes, however, that as the country continues with its aggressive vaccination drive, herd immunity may be achieved by the end of the year and the country transits to the next phases of the NRP which allow more businesses to reopen and increase their activities.

The Board of Directors would exercise extra caution in conducting their duties during these periods and are optimistic of the Group's long-term prospect.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021

B4. Profit forecast

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

B5. Taxation

	3 months ended		6 months ended	
	30/6/2021 RM'000	30/6/2020 RM'000	30/6/2021 RM'000	30/6/2020 RM'000
Income tax:				
- current year	31	(13)	178	331
- (Over) / under provision of tax in prior year	-	-	-	-
Deferred tax	31	(13)	178	331
- Relating to origination and reversal of temporary difference	-	-	-	-
- (Over) /under provision of tax in prior year	-	-	-	-
	31	(13)	178	331

The Group's effective tax rate for the current quarter ended 30 June 2021 was higher than the statutory rate due to certain non tax-deductible expenses and profits generated by some subsidiaries during the current period.

B6. Status of corporate proposal

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

B7. Group borrowings and debt securities

The Group has no borrowings as at 30 June 2021.

B8. Trade Receivables

		Financial period ended 30/6/2021 RM'000	Immediate preceding financial year ended 31/12/2020 RM'000
Trade receivables			
Third party		9,500	9,975
Less: Impairment losses			
- brought forward		(328)	(382)
- reversal of impairment loss for bad debts recovered		(1)	314
- written off		4	14
- impaired during the period / year		-	(274)
		(325)	(328)
		9,175	9,647

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021

B8. Trade Receivables (Cont'd)

The Groups' normal trade credits range from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis. The credit period varies from customers to customers after taking into consideration their payment track record, financial background, length of business relationship and size of transactions.

The Group has no significant concentration of credit risk that may arise from exposure to a single receivable or to groups of receivables.

Ageing analysis of trade receivables is as follow:

	Financial period ended 30/6/2021 RM'000	Immediate preceding financial year ended 31/12/2020 RM'000
Neither past due nor impaired	5,791	5,755
Up to 90 days past due not impaired	2,867	3,922
More than 90 days past due not impaired	842	298
	3,709	4,220
Impaired		
- brought forward	(328)	(382)
- reversal of impairment loss for bad debts recovered	(1)	314
- written off	4	14
- impaired during the period / year	-	(274)
	(325)	(328)
	9,175	9,647

Commentaries for the recoverability of trade receivables which exceed the average credit terms granted:

All trade receivables which exceeded the average credit terms are closely monitored by the credit control committee.

B9. Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments. Fair value of quoted equity instrument is determined directly by reference to their published market bid price at the reporting date.

There have been no transfers between Level 1 and Level 2 during the financial year. The table below analyses financial instruments carried at fair value shown in the statement of financial position.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021

B9. Fair value information (Cont'd)

As at 30.06.2021			
Fair value of financial instruments carried at fair value			
Level 1	Level 2	Level 3	Total
RM'000	RM'000	RM'000	RM'000
Financial assets			
Investment securities	72	-	72
Other investment	19,657	-	19,657
	19,729	-	19,729

As at 31.12.2020			
Fair value of financial instruments carried at fair value			
Level 1	Level 2	Level 3	Total
RM'000	RM'000	RM'000	RM'000
Financial assets			
Investment securities	74	-	74
Other investment	17,592	-	17,592
	17,666	-	17,666

B10. Material litigation

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

B11. Dividend

No dividend has been declared or proposed during the quarter under review.

B12. Earnings per share

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

	3 months ended 30 June		6 months ended 30 June	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Group's loss after tax attributable to ordinary equity holders of the parent (RM)	(321)	(658)	(534)	(229)
Weighted average number of ordinary shares	141,160	141,160	141,160	141,160
Loss per share (sen)	(0.23)	(0.47)	(0.38)	(0.16)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021

B13. Loss for the period

Loss for the current quarter ended 30 June 2021 was arrived at after crediting / (charging) the following:

	3 months ended 30 June		6 months ended 30 June	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Loss for the period is arrived at after charging/(crediting):				
Interest income	10	13	19	33
Fair value gain on financial assets	86	97	165	212
Gain on disposal of quoted or unquoted investments or properties	-	-	-	-
Foreign exchange gain /(loss)	-	-	-	-
Gain / (loss) on derivatives	-	-	-	-
Finance costs	-	-	-	-
Depreciation and amortization	(250)	(264)	(498)	(519)

B14. Authorisation for issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 24 August 2021.

By order of the Board
SCC Holdings Berhad

Wong Yuet Chyn (MAICSA 7047163)
Company Secretary
Kuala Lumpur
Date: 24 August 2021