

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2023						
	3 months ended 31 March			3 months ended 31 March		
	2023 RM'000 Unaudited	2022 RM'000 Unaudited	%	2023 RM'000 Unaudited	2022 RM'000 Unaudited	%
Revenue	12,768	14,002	-9%	12,768	14,002	-9%
Cost of sales	(9,555)	(9,644)		(9,555)	(9,644)	
Gross profit	3,213	4,358	-26%	3,213	4,358	-26%
Other income	184	162		184	162	
Administrative and other operating expenses	(2,861)	(2,889)		(2,861)	(2,889)	
Selling and distribution expenses	(732)	(674)		(732)	(674)	
Operating (loss)/profit	(196)	957	-120%	(196)	957	-120%
Finance costs	(15)	(18)		(15)	(18)	
(Loss)/Profit before taxation	(211)	939	-122%	(211)	939	-122%
Taxation	(53)	(316)		(53)	(316)	
(Loss)/Profit for the period	(264)	623	-142%	(264)	623	-142%
Other comprehensive income	2	63		2	63	
Total comprehensive (loss)/income for the period	(262)	686	-138%	(262)	686	-138%

(Loss)/Profit after taxation attributable to the equity holders of the Company

(264) 623 (264) 623

Total comprehensive (loss)/income attributable to the equity holders of the Company

(262) 686 (262) 686

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

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

Earnings per share (sen):

- Basic (0.19) 0.44 (0.19) 0.44
- Diluted (0.19) 0.44 (0.19) 0.44

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 2022 and the accompanying explanatory notes attached to the interim financial statements.

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	UNAUDITED As at 31/03/2023 RM'000	AUDITED As At 31/12/2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	5,922	6,051
Investment securities	74	69
Right of Use Assets	840	718
Goodwill on consolidation	8	8
	6,844	6,846
Current Assets		
Inventories	20,285	18,289
Trade receivables	9,998	12,447
Other receivables, deposits and prepayments	273	2,551
Tax recoverable	1,579	1,023
Other investment	5,844	6,089
Cash and bank balances	8,175	7,634
	46,154	48,033
TOTAL ASSETS	52,998	54,879
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	24,079	24,079
Reserves	21,641	23,315
Total equity	45,720	47,394
Non current liabilities		
Deferred tax liabilities	97	97
Long Term Lease	546	476
	643	573
Current liabilities		
Trade payables	4,279	3,977
Other payables, deposits and accruals	2,020	2,531
Short term lease	336	279
Tax payables	-	125
	6,635	6,912
Total liabilities	7,278	7,485
TOTAL EQUITY AND LIABILITIES	52,998	54,879
Net assets per share attributable to ordinary equity owners of the Company (sen)	32.39	33.57

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 2022 and the accompanying explanatory notes attached to the interim financial statements.

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

	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 1.1.2022	24,079	-	51	4	22,142	46,276
Total comprehensive income for the financial year	-	-	8	(32)	2,554	2,530
Dividends paid	-	-	-	-	(1,412)	(1,412)
At 31.12. 2022 (<i>Audited</i>)	24,079	-	59	(28)	23,284	47,394
Balance as at 1.1.2023	24,079	-	59	(28)	23,284	47,394
Dividends paid	-	-	-	-	(1,412)	(1,412)
Total comprehensive income for the financial year	-	-	6	(4)	(264)	(262)
Balance as at 31.03.2023 (<i>Unaudited</i>)	24,079	-	65	(32)	21,608	45,720

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 2022 and the accompanying explanatory notes attached to the interim financial statements.

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2023		
	3 months ended 31/03/2023 RM'000	12 months ended 31/12/2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(211)	4,363
Adjustments for		
- Tax adjustment	-	-
- Depreciation	239	909
- Bad debts written off	-	16
- Gain/loss on disposal of property, plant and equipment	-	(57)
- Gain/ loss on forgiven lease payments	-	(22)
- Impairment loss on trade receivables	-	184
- Inventories written off	-	5
- Reversal of inventories written down	-	(205)
- Fixed asset written off	-	1
- Reversal of impairment loss on trade receivables	-	(18)
- Dividend received	(1)	(1)
- Unrealised loss/(gain) on foreign exchange	-	(39)
- Fair value gain on financial assets	(54)	(233)
- Realised fair value gain on investment	-	-
- Interest income	(27)	(87)
- Interest expenses	15	69
Operating (loss)/profit before working capital changes	(39)	4,885
Changes in working capital		
Inventories	(1,995)	(9,091)
Receivables	7,512	(1,467)
Payables	(3,156)	378
Net cash (used in) / generated from operations	2,322	(5,295)
Interest received	27	87
Interest expenses	(15)	(69)
Taxation refund	-	-
Taxation paid	(643)	(1,892)
Net cash flows (used in) / from operating activities	1,691	(7,169)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net changes in other investments	301	10,400
Sales proceeds on disposal of property, plant and equipment	-	128
Dividend received	1	1
Dividend paid	(1,412)	(1412)
Purchase of property, plant and equipment	(19)	(697)
Net cash flows from / (used in) investing activities	(1,129)	8,420
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Financial Liabilities	(84)	(312)
Net cash used in financing activities	(84)	(312)
Net Changes In Cash And Cash Equivalents	478	939
Cash And Cash Equivalents At The Beginning Of The Period	7,634	6,690
Effect of exchange translation differences on cash and cash equivalents	63	5
Cash And Cash Equivalents At The End Of The Period	8,175	7,634
Analysis of Cash And Cash Equivalents		
Cash and bank balances	8,175	7,634
	8,175	7,634
Less: Bank borrowings	0	0
	8,175	7,634

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 2022 and the accompanying explanatory notes attached to the interim financial statements.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023
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 2022 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 2022 except for the adoption of the pronouncements that become effective from 1 January 2023.

MFRSs and amendments effective for annual period beginning on or after 1 January 2023:

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
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 16 Leases	Lease Liability in a Sale and Leaseback	1 January 2024
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

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023

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

	Annual improvements to MFRS standards 2018 – 2020	1 January 2022
Amendments to MFRS 3 Business Combinations	Reference to conceptual frameworks	1 January 2022
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group plans to apply the abovementioned accounting standards, interpretation and amendments when they become effective, except for MFRS 17 *Insurance Contracts*, as it is not applicable to the Group. The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the financial statements.

A3. Auditors' report

There was no qualification on the audited financial statements of the Group for the FYE 31 December 2022.

A4. Seasonal or cyclical factors

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

A5. Items of unusual nature and amount

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

A6. Material changes in estimates

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

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

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

A8. Dividends paid

A single tier tax exempt interim dividend of 1 sen per ordinary share amounting to RM1,411,601.40 in respect of the financial period ended 31 December 2022 was paid on 24 March 2023.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023

A9. Segmental information

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

	3 months ended		3 months ended	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	RM'000	RM'000	RM'000	RM'000
Profit				
Reportable segment (loss)/profit	(264)	623	(264)	623
<i>Included in the measure of segment profit are:</i>				
Revenue - Animal Health Products	6,478	7,762	6,478	7,762
- Foodservice Equipment	4,224	3,738	4,224	3,738
- Food Supplies	2,062	2,490	2,062	2,490
- Food Manufacturing	3	12	3	12
	12,768	14,002	12,768	14,002
Add: Inter-segment sales	1,318	2,898	1,318	2,898
Total revenue before eliminating inter company transaction	14,085	16,900	14,085	16,900
Depreciation of property, plant and equipment	(149)	(144)	(149)	(144)
Reconciliation of reportable segment profit and revenue				
Profit				
Reportable segment revenue	12,768	14,002	12,768	14,002
Unallocated expenses	(12,991)	(13,059)	(12,991)	(13,059)
Finance cost	(15)	(18)	(15)	(18)
Finance income	27	14	27	14
Taxation	(53)	(316)	(53)	(316)
Consolidated (loss)/profit after tax	(264)	623	(264)	623
Revenue				
Reported segment	12,768	14,002	12,768	14,002
Non-reportable segment	-	-	-	-
Consolidated revenue	12,768	14,002	12,768	14,002

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 FIRST QUARTER ENDED 31 MARCH 2023

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

Saved as disclosed in the Audited Financial Statements for the FYE 31 December 2022, there were no other significant related party transactions for the current quarter under review.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023

B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review of performance

The comparison of the current year 1st quarter revenue against previous year 1st quarter revenue is set out below:

	3 months ended 31 March			3 months ended 31 March		
	31/03/2023	31/03/2022	Change	31/03/2023	31/03/2022	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	12,768	14,002	-9%	12,768	14,002	-9%
Cost of sales	(9,555)	(9,644)	-1%	(9,555)	(9,644)	-1%
Gross profit	3,213	4,358	-26%	3,213	4,358	-26%
(Loss)/Profit before interest and tax	(196)	957	-120%	(196)	957	-120%
(Loss)/Profit before tax	(211)	939	-122%	(211)	939	-122%
(Loss)/Profit after tax	(264)	623	-142%	(264)	623	-142%

Quarter Ended 31 March 2023 compared to Quarter Ended 31 March 2022

The Group's revenue for the current quarter ended 31 March 2023 decreased by 9% to RM12.768 million compared to RM14.002 million in the preceding corresponding quarter ended 31 March 2022. The decrease was mainly due to reasons as explained below.

During the current quarter ended 31 March 2023, Animal Health Product Division recorded revenue of RM6.478 million as compared to RM7.762 million in the preceding corresponding quarter ended 31 March 2022. The decrease of approximately 17% was primarily due to lower requirement by customers.

During the current quarter ended 31 March 2023, Foodservice Equipment Division recorded revenue of RM6.287 million as compared to RM6.228 million in the preceding year quarter ended 31 March 2022. The increase of approximately 1% was mainly due to a slight increase in demand by customers as compared to the preceding year quarter.

During the current quarter ended 31 March 2023, Food Manufacturing Division recorded revenue of RM0.003 million as compared to RM0.012 million in the preceding year quarter ended 31 March 2022. The decrease of approximately 75% was due to lower demand from customers during the quarter under review.

The profit before tax for the current quarter ended 31 March 2023 decreased by 122% as compared to the preceding corresponding quarter ended 31 March 2022. The primary reason for this significant decline is a decrease in gross profit, which, in turn, is caused by a lower profit margin.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023

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

	3 months ended		
	31/03/2023	31/12/2022	Change
	RM'000	RM'000	%
Revenue	12,768	16,638	-23%
Operating (loss)/ profit	(196)	1,102	-118%
(Loss)/Profit before interest and tax	(196)	1,102	-118%
(Loss)/Profit before tax	(211)	1,086	-119%
(Loss)/Profit after tax	(264)	434	-161%

For current quarter ended 31 March 2023, the Group recorded a loss before tax of approximately RM0.211 million as compared to a profit before tax of RM1.086 million in the immediate preceding quarter ended 31 December 2022. The decrease in profit before taxation compared to the immediate preceding quarter was mainly due to decrease in revenue and a lower profit margin during the current quarter.

B3. Prospects

The country's economic performance in Q1 showcased resilience, with a notable GDP growth rate of 5.6%. Although headline inflation decreased, it remained at a relatively elevated level of 3.6%. Encouragingly, the labor markets exhibited sustained improvement, and the local currency, the ringgit, experienced a slight appreciation against the US dollar. These positive indicators provide a foundation for cautious optimism regarding the economic outlook.

Amidst global economic uncertainties, the Group adopts a cautious and proactive approach. It is committed to addressing inflationary pressures by offering affordable and value-for-money solutions to customers. Simultaneously, the Group focuses on cost optimization exercises and improving operational efficiency. Encouragingly, there has been a steady increase in inquiries and active discussions regarding potential projects. These developments hold the potential to positively impact the Group's turnover and profitability.

By prioritizing prudent financial management, operational enhancements, and customer-centric strategies, the Group aims to navigate the economic landscape effectively. The Group recognizes the importance of adaptability in the face of market fluctuations and remains optimistic about increased business opportunities and growth. These initiatives position the Group for a positive future performance.

B4. Profit forecast

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

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023

B5. Taxation

	3 months ended		3 months ended	
	31/03/2023 RM'000	31/03/2022 RM'000	31/03/2023 RM'000	31/03/2022 RM'000
Income tax:				
- current year	53	316	53	316
- (Over) / under provision of tax in prior year	-	-	-	-
	53	316	53	316
Deferred tax				
- Relating to origination and reversal of temporary difference	-	-	-	-
- (Over) /under provision of tax in prior year	-	-	-	-
	53	316	53	316

The Group's effective tax rate for the current quarter ended 31 March 2023 was approximately 125% which is higher than the statutory rate of 24% due to certain non tax-deductible expenses and profit 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 31 March 2023.

B8. Trade Receivables

	Financial period ended 31/03/2023 RM'000	Immediate preceding financial year ended 31/12/2022 RM'000
Trade receivables		
Third party	10,222	12,675
Less: Impairment losses		
- brought forward	(228)	(78)
- reversal of impairment loss for bad debts recovered	4	18
- written off	-	16
- impaired during the period / year	-	(184)
	(224)	(228)
	9,998	12,447

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023

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 31/03/2023 RM'000	Immediate preceding financial year ended 31/12/2022 RM'000
Neither past due nor impaired	6,502	7,835
Up to 90 days past due not impaired	2,758	4,622
More than 90 days past due not impaired	962	218
	3,720	4,840
Impaired		
- brought forward	(228)	(78)
- reversal of impairment loss for bad debts recovered	4	18
- written off	-	16
- impaired during the period / year	-	(184)
	(224)	(228)
	9,998	12,447

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 FIRST QUARTER ENDED 31 MARCH 2023

B9. Fair value information (Cont'd)

As at 31.03.2023				
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	5,844	-	-	5,844
	5,918	-	-	5,918

As at 31.12.2022				
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	69	-	-	69
Other investment	6,089	-	-	6,089
	6,158	-	-	6,158

B10. Material litigation

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

B11. Dividend

- (a) The directors declared a single tier interim dividend of 1 sen per ordinary share amounting to RM1,411,601.40 in respect of the financial year ended 31 December 2022.
- (b) The entitlement date is 13th March 2023 and date of payment for the single tier tax exempt interim dividend in respect of the financial year ended 31 December 2022 is 24 March 2023.

B12. Earnings per share

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

	3 months ended 31 March		3 months ended 31 March	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Group's (loss)/profit after tax attributable to ordinary equity holders of the parent (RM)	(264)	623	(264)	623
Weighted average number of ordinary shares	141,160	141,160	141,160	141,160
(Loss)/Earnings per share (sen)	(0.19)	0.44	(0.19)	0.44

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023

B13. Profit for the period

Profit for the current quarter ended 31 March 2023 was arrived at after crediting / (charging) the following:

	3 months ended 31 March		3 months ended 31 March	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit for the period is arrived at after charging/(crediting):				
Interest income	27	14	27	14
Fair value gain/(loss) on financial assets	54	5	54	5
Foreign exchange gain /(loss)	-	6	-	6
Depreciation and amortization	(239)	(228)	(239)	(228)

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 26 May 2023.

By order of the Board
SCC Holdings Berhad

Thong Pui Yee (MAICSA 7067416)
Company Secretary
Kuala Lumpur
Date: 26 May 2023