(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2023

	3 months ended 30 June			6 months ended 30 June		
	2023 RM'000 Unaudited	2022 RM'000 Unaudited	%	2023 RM'000 Unaudited	2022 RM'000 Unaudited	%
Revenue	12,759	16,372	-22%	25,527	30,374	-16%
Cost of sales	(8,722)	(11,744)		(18,277)	(21,388)	
Gross profit	4,037	4,628	-13%	7,250	8,986	-19%
Other income	169	88		353	250	
Administrative and other operating expenses	(2,625)	(3,082)		(5,486)	(5,971)	
Selling and distribution expenses	(924)	(731)		(1,656)	(1,405)	
Operating profit	657	903	-27%	461	1,860	-75%
Finance costs	(15)	(19)		(30)	(37)	
Profit before taxation	642	884	-27%	431	1,823	-76%
Taxation	(360)	(371)		(413)	(687)	
Profit for the period	282	513	-45%	18	1,136	-98%
Other comprehensive (loss) income	(53)	34		(51)	97	
Total comprehensive (loss)/income for the period	229	547	-58%	(33)	1,233	-103%
Profit after taxation attributable to the equity holders of the Company	282	513		18	1,136	
Total comprehensive (loss)/income attributable to the equity holders of the Company	229	547		(33)	1,233	
Weighted average no. of ordinary shares in issue ('000)	141,160	141,160		141,160	141,160	
Earnings per share (sen):						
- Basic	0.20	0.36		0.01	0.80	
- Diluted	0.20	0.36		0.01	0.80	

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 30 JUNE 2023

	UNAUDITED As at 30/6/2023 RM'000	AUDITED As At 31/12/2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	5,816	6,051
Investment securities	69	69
Right of Use Assets	780	718
Goodwill on consolidation	8	8
	6,673	6,846
Current Assets		
Inventories	19,255	18,289
Trade receivables	10,314	12,447
Other receivables, deposits and prepayments	271	2,551
Tax recoverable	1,689	1,023
Other investment	8,210	6,089
Cash and bank balances	5,501	7,634
	45,240	48,033
TOTAL ASSETS	51,913	54,879
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	24,079	24,079
Reserves	21,870	23,315
Total equity	45,949	47,394
Non current liabilities		
Deferred tax liabilities	97	97
Long Term Lease	495	476
	592	573
Current liabilities		
Trade payables	2,561	3,977
Other payables, deposits and accruals	2,451	2,531
Short term lease	331	279
Tax payables	29	125
	5,372	6,912
Total lialibities	5,964	7,485
TOTAL EQUITY AND LIABILITIES	51,913	54,879
Net assets per share attributable to ordinary equity owners of the Company (sen)	32.55	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 SECOND QUARTER ENDED 30 JUNE 2023

	Non-Distributable				Distributable	
	Share Capital RM'000	Share Premium RM'000	Fair value Adjustment Reserve RM'000	Foreign Currency Translation Reserve RM'000	Retained Profits RM'000	Total Equity 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 *(Audited)*	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	-	-	(1)	(50)	18	(33)
Balance as at 30.06.2023 *(Unaudited)*	24,079	-	58	(78)	21,890	45,949

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 SECOND QUARTER ENDED 30 JUNE 2023

	6 months ended 30/06/2023 RM'000	12 months ended 31/12/2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	431	4,363
Adjustments for		
- Tax adjustment	18	-
- Depreciation	477	909
- Bad debts written off	-	16
- Gain/loss on disposal of property, plant and equipment	-	(57)
- Gain/ loss on forgiven lease payments	(1)	(22)
- Impairment loss on trade receivables	-	184
- Inventories written off	-	5
- Reversal of inventories written down	-	(205)
- Fixed asset written off	5	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	(122)	(233)
- Interest income	(54)	(87)
- Interest expenses	30	69
Operating profit before working capital changes	**783**	**4,885**
Changes in working capital		
Inventories	(936)	(9,091)
Receivables	7,207	(1,467)
Payables	(4,552)	378
Net cash generated from/(used in) operations	**2,502**	**(5,295)**
Interest received	54	87
Interest expenses	(30)	(69)
Taxation refund	23	-
Taxation paid	(1,121)	(1,892)
Net cash flows from/(used in) operating activities	**1,428**	**(7,169)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Net changes in other investments	(1,998)	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	(65)	(697)
Net cash flows (used in)/from investing activities	**(3,474)**	**8,420**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Financial Liabilities	(170)	(312)
Net cash used in financing activities	**(170)**	**(312)**
Net Changes In Cash And Cash Equivalents	**(2,216)**	**939**
Cash And Cash Equivalents At The Begining Of The Period	**7,634**	**6,690**
Effect of exchange translation differences on cash and cash equivalents	**83**	**5**
Cash And Cash Equivalents At The End Of The Period	**5,501**	**7,634**
Analysis of Cash And Cash Equivalents		
Cash and bank balances	5,501	7,634
	5,501	**7,634**
Less: Bank borrowings	0	0
	5,501	**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.

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
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

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

Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
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

There was no dividend paid during the financial period ended 30 June 2023.

A9. Segmental information

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

	3 months ended		6 months ended	
	30/6/2023 RM'000	30/6/2022 RM'000	30/6/2023 RM'000	30/6/2022 RM'000
Profit				
Reportable segment profit	282	513	18	1,136
Included in the measure of segment profit are:				
Revenue - Animal Health Products	6,702	8,482	13,180	16,244
- Foodservice Equipment	3,814	3,659	8,039	7,397
- Food Supplies	2,231	4,228	4,293	6,718
- Food Manufacturing	12	3	15	15
	12,759	16,372	25,527	30,374
Add: Inter-segment sales	2,947	1,620	4,264	4,518
Total revenue before eliminating inter company transaction	15,706	17,992	29,791	34,892
Depreciation of property, plant and equipment	(148)	(143)	(297)	(287)
Reconciliation of reportable segment profit and revenue				
Profit				
Reportable segment revenue	12,759	16,372	25,527	30,374
Unallocated expenses	(12,129)	(15,483)	(25,120)	(28,542)
Finance cost	(15)	(19)	(30)	(37)
Finance income	27	14	54	28
Taxation	(360)	(371)	(413)	(687)
Consolidated profit after tax	282	513	18	1,136
Revenue				
Reported segment	12,759	16,372	25,527	30,374
Non-reportable segment	-	-	-	-
Consolidated revenue	12,759	16,372	25,527	30,374

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.

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.

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		
	30/6/2023	30/6/2022	Change	30/6/2023	30/6/2022	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	12,759	16,372	-22%	25,527	30,374	-16%
Cost of sales	(8,722)	(11,744)	-26%	(18,277)	(21,388)	-15%
Gross profit	4,037	4,628	-13%	7,250	8,986	-19%
Profit before interest and tax	657	903	-27%	461	1,860	-75%
Profit before tax	642	884	-27%	431	1,823	-76%
Profit after tax	282	513	-45%	18	1,136	-98%

Quarter Ended 30 June 2023 compared to Quarter Ended 30 June 2022

The Group's revenue for the current quarter ended 30 June 2023 decreased by 22% to RM12.759 million compared to RM16.372 million in the preceding corresponding quarter ended 30 June 2022. The decrease was mainly due to reasons as explained below.

During the current quarter ended 30 June 2023, Animal Health Product Division recorded revenue of RM6.702 million as compared to RM8.482 million in the preceding corresponding quarter ended 30 June 2022. The decrease of approximately 21% was primarily due to lower requirement by customers.

During the current quarter ended 30 June 2023, Foodservice Equipment Division recorded revenue of RM6.045 million as compared to RM7.887 million in the preceding year quarter ended 30 June 2022. The increase of approximately 4% in Foodservice Equipment was due to an increase in customer demand whereas the decrease of approximately 47% in Food Supplies was mainly due to a decrease in demand by cinemas as compared to the preceding year quarter.

During the current quarter ended 30 June 2023, Food Manufacturing Division recorded revenue of RM0.012 million as compared to RM0.003 million in the preceding year quarter ended 30 June 2022. The decrease of 300% was due to higher demand from customers during the quarter under review.

The profit before tax for the current quarter ended 30 June 2023 decreased by 27% as compared to the preceding corresponding quarter ended 30 June 2022. The primary reason for this significant decline is a decrease in revenue.

Six Months Ended 30 June 2023 compared to Six Months Ended 30 June 2022

The Group achieved revenue of RM25.527 million for the current year ended 30 June 2023 as compared to RM30.374 million in the preceding year to date ended 30 June 2022. The decrease in revenue by approximately 16% was mainly due to reasons as explained below.

During the current year to date ended 30 June 2023, Animal Health Product Division recorded revenue of RM13.180 million as compared to RM16.244 million in the preceding year to date ended 30 June 2022. The decrease of approximately of 19% was due to lower demand from customers.

Review of performance (cont'd)

During the current year to date ended 30 June 2023, Foodservice Equipment Division recorded revenue of RM12.332 million as compared to RM14.115 million in the preceding year ended 30 June 2022. The increase of approximately 9% in Foodservice Equipment was due to increased customer demand whereas the decrease of 36% in Food Supplies was due to overall decreased demand by cinemas.

During the current year to date ended 30 June 2023, the Food Manufacturing Division's revenue remained unchanged at RM0.015 million, the same as the preceding year to date ended 30 June 2022.

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

	3 months ended		
	30/6/2023	31/3/2023	Change
	RM'000	RM'000	%
Revenue	12,759	12,768	0%
Operating profit/(loss)	657	(196)	435%
Profit/(loss) before interest and tax	657	(196)	435%
Profit/(loss) before tax	642	(211)	404%
Profit/(loss) after tax	282	(264)	207%

For current quarter ended 30 June 2023, the Group recorded a profit before tax of approximately RM0.642 million as compared to a loss before tax of RM0.211 million in the immediate preceding quarter ended 31 March 2023. The increase in profit before taxation compared to the immediate preceding quarter was mainly due to a significant improvement in gross profit margin as a result of the selling of products purchased at more favourable exchange rates during the current quarter.

B3. Prospects

Despite the challenges brought about by the volatile global environment in the first half of 2023, the country's economy is poised to navigate through the latter half with the continuous support of strong domestic demand and improvements in the job market. These factors will bolster consumer spending. Furthermore, the unity government's commitment to transparent governance, and active engagement with foreign investors and the local business community will play a pivotal role in steering the economy forward.

Nevertheless, the Group remains cautiously optimistic due to uncertainties stemming from the volatility in foreign exchange rates and inflationary pressures on its costs, and their impact on customer demand.

Consequently, the Group remains watchful and proactively navigates this challenging setting, capitalising on its diverse brand portfolio and businesses. It will strive to tackle these challenges by consistently identifying areas for cost-efficient enhancements while maintaining quality.

The Group remains positive about reaching new customers through tailored promotions and participation in trade exhibitions. These efforts could potentially contribute positively to continuous growth.

As the Group embraces the second half of the year, the Board of Directors anticipates sustaining performance throughout the ongoing financial year.

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	
	30/6/2023 RM'000	30/6/2022 RM'000	30/6/2023 RM'000	30/6/2022 RM'000
Income tax:				
- current year	360	371	413	687
- (Over) / under provision of tax in prior year	-	-	-	-
	360	371	413	687
Deferred tax				
- Relating to origination and reversal of temporary difference	-	-	-	-
- (Over) /under provision of tax in prior year	-	-	-	-
	360	371	413	687

The Group's effective tax rate for the current quarter ended 30 June 2023 was approximately 56% and current year to date ended 30 June 2023 was 96% which is higher than the statutory rate of 24% due to certain non tax-deductible expenses and losses 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 2023.

B8. Trade Receivables

		Financial period ended 30/6/2023 RM'000	Immediate preceding financial year ended 31/12/2022 RM'000
Trade receivables			
Third party		10,538	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)
		10,314	12,447

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 30/6/2023 RM'000	Immediate preceding financial year ended 31/12/2022 RM'000
Neither past due nor impaired		6,847	7,835
Up to 90 days past due not impaired		3,106	4,622
More than 90 days past due not impaired		585	218
		3,691	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)
		10,314	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.

B9. Fair value information (Cont'd)

	As at 30.06.2023			
	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 securites	69	-	-	69
Other investment	8,210	-	-	8,210
	8,279	-	-	8,279

	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 securites	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

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

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 30 June		6 months ended 30 June	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Group's profit after tax attributable to ordinary equity holders of the parent (RM)	282	513	18	1,136
Weighted average number of ordinary shares	141,160	141,160	141,160	141,160
Earnings per share (sen)	0.20	0.36	0.01	0.80

B13. Profit for the period

Profit for the current quarter ended 30 June 2023 was arrived at after crediting / (charging) the following:

	3 months ended 30 June		6 months ended 30 June	
	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	54	28
Fair value gain on financial assets	68	4	122	9
Depreciation and amortization	(238)	(229)	(477)	(457)

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 25 August 2023.

By order of the Board
SCC Holdings Berhad

Thong Pui Yee (MAICSA 7067416)
Company Secretary
Kuala Lumpur
Date: 25 August 2023