

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**

	3 months ended 31 December			12 months ended 31 December		
	2023 RM'000 Unaudited	2022 RM'000 Unaudited	%	2023 RM'000 Unaudited	2022 RM'000 Audited	%
Revenue	15,115	16,638	-9%	55,357	63,917	-13%
Cost of sales	(10,813)	(11,764)		(40,128)	(45,333)	
Gross profit	4,301	4,874	-12%	15,229	18,584	-18%
Other income	436	(44)		987	776	
Administrative and other operating expenses	(1,663)	(2,414)		(10,082)	(11,060)	
Selling and distribution expenses	(1,013)	(1,314)		(3,459)	(3,702)	
Operating profit	2,061	1,102	87%	2,675	4,598	-42%
Allowance for impairment	(14)	-		(14)	(166)	
Finance costs	(12)	(16)		(58)	(69)	
Profit before taxation	2,033	1,086	87%	2,602	4,363	-40%
Taxation	(439)	(652)		(1,020)	(1,809)	
Profit for the period	1,595	434	267%	1,582	2,554	-38%
Other comprehensive (loss)/income	27	52		(24)	(24)	
Total comprehensive income for the period	1,621	486	233%	1,558	2,530	-38%

Profit after taxation attributable to the equity holders of the Company

1,595 434 1,582 2,554

Total comprehensive income attributable to the equity holders of the Company

1,621 486 1,558 2,530

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

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

Earnings per share (sen):

- Basic 1.13 0.31 1.12 1.81
- Diluted 1.13 0.31 1.12 1.81

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 DECEMBER 2023

	UNAUDITED As at 31/12/2023 RM'000	AUDITED As At 31/12/2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	5,855	6,051
Investment securities	75	69
Right of Use Assets	596	718
Goodwill on consolidation	-	8
	6,526	6,846
Current Assets		
Inventories	16,823	18,289
Trade receivables	13,109	12,447
Other receivables, deposits and prepayments	1,955	2,551
Tax recoverable	1,690	1,023
Other investment	7,628	6,089
Cash and bank balances	6,389	7,634
	47,594	48,033
TOTAL ASSETS	54,120	54,879
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	24,079	24,079
Reserves	23,461	23,315
Total equity	47,540	47,394
Non current liabilities		
Deferred tax liabilities	103	97
Long Term Lease	337	476
	440	573
Current liabilities		
Trade payables	3,402	3,977
Other payables, deposits and accruals	2,428	2,531
Short term lease	310	279
Tax payables	0	125
	6,140	6,912
Total liabilities	6,580	7,485
TOTAL EQUITY AND LIABILITIES	54,120	54,879

Net assets per share attributable to ordinary equity owners of the Company (sen)

33.68

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 FOURTH QUARTER ENDED 31 DECEMBER 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	(30)	1,582	1,558
Balance as at 31.12.2023 (<i>Unaudited</i>)	24,079	-	65	(58)	23,454	47,540

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 FOURTH QUARTER ENDED 31 DECEMBER 2023**

	12 months ended 31/12/2023 RM'000	12 months ended 31/12/2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,602	4,363
Adjustments for		
- Tax adjustment	(8)	-
- Depreciation and amortisation	858	909
- Dividend received	(1)	(1)
- Gain/loss on disposal of property, plant and equipment	-	(57)
- Gain/ loss on forgiven lease payments	(1)	(22)
- Fair value gain on financial assets	(256)	(233)
- Impairment loss on trade receivables/other receivables	26	184
- Inventories written off	-	5
- Reversal of inventories written down	-	(205)
- Fixed asset written off	-	1
- Bad debts written off	-	16
- Reversal of impairment loss on trade receivables	(5)	(18)
- Unrealised loss/(gain) on foreign exchange	(36)	(39)
- Interest income	(119)	(87)
- Interest expenses	58	69
Operating profit before working capital changes	3,116	4,885
Changes in working capital		
Inventories	1,489	(9,091)
Receivables	(14,236)	(1,467)
Payables	13,381	378
Net cash generated from/(used in) operations	3,750	(5,295)
Interest received	119	87
Interest expenses	(58)	(69)
Taxation refund	49	-
Taxation paid	(1,785)	(1,892)
Net cash flows from/(used in) operating activities	2,075	(7,169)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net changes in other investments	(1,292)	10,400
Sales proceeds on disposal of property, plant and equipment	(30)	128
Dividend received	1	1
Dividend paid	(1,412)	(1412)
Purchase of property, plant and equipment	(399)	(697)
Net cash flows (used in)/from investing activities	(3,132)	8,420
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Financial Liabilities	(224)	(312)
Net cash used in financing activities	(224)	(312)
Net Changes In Cash And Cash Equivalents	(1,280)	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	35	5
Cash And Cash Equivalents At The End Of The Period	6,389	7,634
Analysis of Cash And Cash Equivalents		
Cash and bank balances	6,389	7,634
	6,389	7,634
Less: Bank borrowings	0	0
	6,389	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 FOURTH QUARTER ENDED 31 DECEMBER 2023

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information
MFRS 17	Insurance Contracts
Amendments to MFRS 112	International Tax Reform – Pillar Two Model Rules
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates

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

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

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

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:

		<u>Effective dates for financial periods beginning on or after</u>
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	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
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 intends to adopt the new MFRSs and amendment to MFRSs, if applicable, when they become effective.

The initial application of the accounting standards or amendments is not expected to have any material financial impacts to the current period and prior period financial statements of the Group.

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 31 December 2023.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

A9. Segmental information

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

	3 months ended		12 months ended	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
Profit				
Reportable segment profit	1,595	434	1,582	2,554
<i>Included in the measure of segment profit are:</i>				
Revenue - Animal Health Products	7,594	8,262	28,853	32,152
- Foodservice Equipment	5,272	4,699	17,563	17,205
- Food Supplies	2,249	3,663	8,949	14,531
- Food Manufacturing	-	14	22	29
	15,115	16,638	55,387	63,917
Add: Inter-segment sales	735	4,747	1,943	10,980
Total revenue before eliminating inter company transaction	15,849	21,385	57,331	74,897
Depreciation of property, plant and equipment	(152)	(143)	(498)	(547)
Reconciliation of reportable segment profit and revenue				
Profit				
Reportable segment revenue	15,115	16,638	55,387	63,917
Unallocated expenses	(12,898)	(15,564)	(52,846)	(60,136)
Finance cost	(12)	(16)	(58)	(69)
Finance income	202	28	119	87
Taxation	(439)	(652)	(1,020)	(1,245)
Consolidated profit after tax	1,595	434	1,582	2,554
Revenue				
Reported segment	15,115	16,638	55,387	63,917
Non-reportable segment	-	-	-	-
Consolidated revenue	15,115	16,638	55,387	63,917

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 FOURTH QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 2023

B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review of performance

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

	3 months ended 31 December			12 months ended 31 December		
	31/12/2023	31/12/2022	Change	31/12/2023	31/12/2022	Change
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	15,115	16,638	-9%	55,357	63,917	-13%
Cost of sales	(10,813)	(11,764)	-8%	(40,128)	(45,333)	-11%
Gross profit	4,301	4,874	-12%	15,229	18,584	-18%
Profit before interest and tax	2,061	1,102	87%	2,675	4,598	-42%
Profit before tax	2,033	1,086	87%	2,602	4,363	-40%
Profit after tax	1,595	434	267%	1,582	2,554	-38%

Quarter Ended 31 December 2023 compared to Quarter Ended 31 December 2022

The Group's revenue for the current quarter ended 31 December 2023 decreased by 9% to RM15.115 million compared to RM16.638 million in the preceding corresponding quarter ended 31 December 2022. The decrease was mainly due to reasons as explained below.

During the current quarter ended 31 December 2023, Animal Health Product Division recorded revenue of RM7.594 million as compared to RM8.262 million in the preceding corresponding quarter ended 31 December 2022. The decreased of approximately 8% was primarily due to reduce in demand by customers.

During the current quarter ended 31 December 2023, Foodservice Equipment Division recorded revenue of RM7.521 million as compared to RM8.362 million in the preceding year quarter ended 31 December 2022. The decrease of approximately 10% was mainly due to a decrease in demand by cinemas and chain restaurants as compared to the preceding year quarter.

During the current quarter ended 31 December 2023, Food Manufacturing Division had no direct external sales as compared RM0.014 million sales in the preceding year quarter ended 31 December 2022. The decrease was due to no demand from customers during the quarter under review.

The profit before tax for the current quarter ended 31 December 2023 increased by 87% compared to the preceding corresponding quarter ended 31 December 2022. The primary reasons for this significant increase is due to the reversal of the over provision made during the year for staff expenses.

Twelve Months Ended 31 December 2023 compared to Twelve Months Ended 31 December 2022

The Group achieved revenue of RM55.387 million for the current year ended 31 December 2023 as compared to RM63.917 million in the preceding year to date ended 31 December 2022. The decrease in revenue by approximately 13% was mainly due to reasons as explained below.

During the current year to date ended 31 December 31 December 2023, Animal Health Product Division recorded revenue of RM28.853 million as compared to RM32.152 million in the preceding year to date ended 31 December 2022. The decrease of approximately of 10% was due to lower demand from customers especially for commodity products.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

Review of performance (cont'd)

During the current year to date ended 31 December 2023, Foodservice Equipment Division recorded revenue of RM26.511 million as compared to RM31.736 million in the preceding year ended 31 December 2022. The decrease of approximately 16% was due to an overall decreased demand in Food Supplies by cinemas.

During the current year to date ended 31 December 2023, the Food Manufacturing Division recorded revenue of RM0.022 million as compared to RM0.029 million. The decrease of approximately 24% was due to decrease in demand from customers during the current year to date.

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

	3 months ended		
	31/12/2023	30/9/2023	Change
	RM'000	RM'000	%
Revenue	15,115	14,769	2%
Operating profit	2,061	293	603%
Profit before interest and tax	2,061	293	603%
Profit before tax	2,033	278	631%
Profit after tax	1,595	100	1495%

For current quarter ended 31 December 2023, the Group recorded a profit before tax of approximately RM2.033 million as compared to RM0.278 million in the immediate preceding quarter ended 30 September 2023. The increase in profit before taxation compared to the immediate preceding quarter is primarily due to the reversal of provisions for expenses allocated during the previous months and also improved performance of foodservice equipment sales as customers utilizing their budget before the year end.

B3. Prospects

Post-pandemic in 2023 does not recover fully from the damage done and many businesses still facing loads of challenges albeit improved sentiment to the economies.

The African Swine Flu wiped out almost 70% of local swine productions and the poultry farms still finding their footing in increasing their production post-pandemic with limited supplies of day-old chicks and increased feed's cost.

Cinemas patrons did not recover to the pre-pandemic volume, wars in Europe and Middle East affected domestic consumers spending pattern and indirectly affected our business.

Despite all of the unfavourable events, we still manage to stay in the black albeit with lower margin due to higher operating cost and unfavourable USD exchange rates.

For 2024, we will be looking to expand our business by exploring overseas market and re-focusing on what we performed best in the past, sourcing for better value supplies that could improve margin and minimise forex exposure.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

B3. Prospects (cont'd)

The Board of Directors is committed to navigating market dynamics, emphasizing the strength of business innovations for sustainable profitability. In the current fragile economy, focus remains on financial discipline for stakeholder returns and responsiveness to market needs. Collectively, these efforts aim to ensure the Group's resilience and success amid challenging economic conditions.

B4. Profit forecast

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

B5. Taxation

	3 months ended		12 months ended	
	31/12/2023 RM'000	31/12/2022 RM'000	31/12/2023 RM'000	31/12/2022 RM'000
Income tax:				
- current year	433	653	957	1,658
- under provision of tax in prior year	6	-	63	152
	439	653	1,020	1,810
Deferred tax				
- Relating to origination and reversal of temporary difference	-	(1)	19	1
- Over provision of tax in prior year	-	-	(13)	(2)
	439	652	1,026	1,809

The Group's effective tax rate for the current quarter ended 31 December 2023 was approximately 21.6% and current year to date ended 31 December 2023 was 38.4% 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 31 December 2023.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

B8. Trade Receivables

	Financial period ended 31/12/2023 RM'000	Immediate preceding financial year ended 31/12/2022 RM'000
Trade receivables		
Third party	13,170	12,675
Less: Impairment losses		
- brought forward	(228)	(78)
- reversal of impairment loss for bad debts recovered	184	18
- written off	9	16
- impaired during the period / year	(25)	(184)
	(61)	(228)
	13,109	12,447

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.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

Ageing analysis of trade receivables is as follow:

	Financial period ended 31/12/2023 RM'000	Immediate preceding financial year ended 31/12/2022 RM'000
Neither past due nor impaired	5,192	7,835
Up to 90 days past due not impaired	6,884	3,897
More than 90 days past due not impaired	1,094	943
	7,978	4,840
Impaired		
- brought forward	(228)	(78)
- reversal of impairment loss for bad debts recovered	184	18
- written off	9	16
- impaired during the period / year	(25)	(184)
	(61)	(228)
	13,109	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 FOURTH QUARTER ENDED 31 DECEMBER 2023

Financial assets

Investment securities

Other investment

As at 31.12.2023			
Fair value of financial instruments carried at fair value			
Level 1	Level 2	Level 3	Total
RM'000	RM'000	RM'000	RM'000
76	-	-	76
7,628	-	-	7,628
7,705	-	-	7,705

Financial assets

Investment securities

Other investment

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
69	-	-	69
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 31 December		12 months ended 31 December	
	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)	1,595	434	1,582	2,554
Weighted average number of ordinary shares	141,160	141,160	141,160	141,160
Earnings per share (sen)	1.13	0.31	1.12	1.81

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

B13. Profit for the period

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

	3 months ended 31 December		12 months ended 31 December	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after charging/(crediting):				
Interest income	36	28	119	87
Fair value gain on financial assets	52	(10)	236	(233)
Depreciation and amortization	(139)	(231)	(858)	(909)

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 23 February 2024.

By order of the Board
SCC Holdings Berhad

Thong Pui Yee (MAICSA 7067416)
Company Secretary
Kuala Lumpur
Date: 23 February 2024