SCC HOLDINGS BERHAD

200001008871 (511477-A)

2023 ANNUAL REPORT

Building Sustainable Community

www.scc.com.my

Contents

Vision

Together we build green and wellness enterprises

Mission

We strive to lead more people towards green and healthy living

Objective

For the health of next generation and future earth

Our Core Values

People
We believe in our workforce. "SCC People" have a strong work ethic, are passionate with dedication to every success, and are a bond of love and care. We are committed to expand the potential of "SCC People" through the support of continuous education & training.

Innovation
We continuously develop and try out new ideas and concepts in anticipation of our customers present and future needs.

Integrity
We hold strongly that our business reputation is built on the honesty in all our dealings with our business partners.

Teamwork
Our company success is highly dependent on our dynamic team with mutual understanding, respect and full participation to attain a consensus for all tasks undertaken.

Total Customer Satisfaction
We strive to delight our customers by providing valued quality products & services to sustain a long term business partnership.

Work Environment
We are dedicated to upkeep a safe, clean & healthy environment in order to create a harmonious workplace which is conducive to total job efficiency.

For more information, please visit:
www.scc.com.my

Corporate Information

BOARD OF DIRECTORS

Chee Long Sing @ Cher Hwee Seng
Executive Chairman

Cher Lip Chun
Managing Director

Cher Sew Seng
Deputy Managing Director

Cher Lip Ter
Executive Director
(Appointed 1 March 2024)

Datuk Wira Dr. Goy Hong Boon
Non-Independent Non-Executive Director

Tan Tian Wooi
Independent Non-Executive Director

Puar Chin Jong
Independent Non-Executive Director
(appointed on 26 May 2023)

Dato' Ismail bin Hamzah
Independent Non-Executive Director
(resigned on 26 May 2023)

Lew Yen Peng
Independent Non-Executive Director
(appointed on 26 May 2023)

Cher Chou Chiang
Alternate Director to Cher Sew Seng

AUDIT COMMITTEE
Tan Tian Wooi (Chairman)
Datuk Wira Dr. Goy Hong Boon
Puar Chin Jong
Lew Yen Peng

NOMINATION COMMITTEE
Puar Chin Jong (Chairman)
Datuk Wira Dr. Goy Hong Boon
Tan Tian Wooi
Lew Yen Peng

REMUNERATION COMMITTEE
Datuk Wira Dr. Goy Hong Boon (Chairman)
Chee Long Sing @ Cher Hwee Seng
Puar Chin Jong
Lew Yen Peng

COMPANY SECRETARIES
Thong Pui Yee (MAICSA 7067416)
Chang Ngee Chuang (MAICSA 7077854)

SHARE REGISTRAR
ShareWorks Sdn Bhd
(199101019611 (229948-U))
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)
Tel: (603) 6201 1120
Fax: (603) 6201 3121
Email: ir@shareworks.com.my

REGISTERED OFFICE
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)
Tel: (603) 6201 1120
Fax: (603) 6201 3121
Email: cosec@shareworks.com.my

AUDITORS
UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Wilayah Persekutuan (KL)

STOCK EXCHANGE LISTING
ACE Market
Bursa Malaysia Securities Berhad
Listed on 3 August 2010

Corporate Structure

SCC HOLDINGS BERHAD
200001008871 (511477-A)

100%	**ANITOX (M) SDN BHD** 199101003611 (213921-M)
100%	**SCC FOOD MANUFACTURING SDN BHD** 200701036166 (794195-W)
100%	**S-CNERGY CO., LTD** (Cambodia)
100%	**SCC CORPORATION SDN BHD** 197401000717 (17769-T)

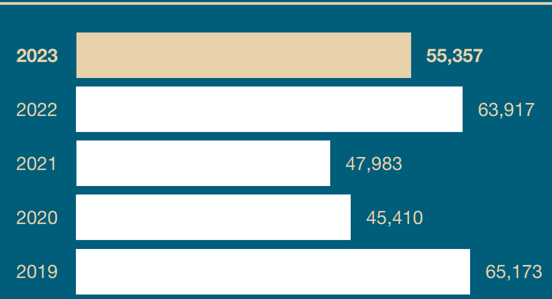
Subsidiaries of SCC Corporation Sdn Bhd:

100%	**POSITIVE INSIGHT SDN BHD** 201401024048 (1100136-D)
100%	**KNOWLEDGE MISSION SDN BHD** 201501006888 (1132220-M)

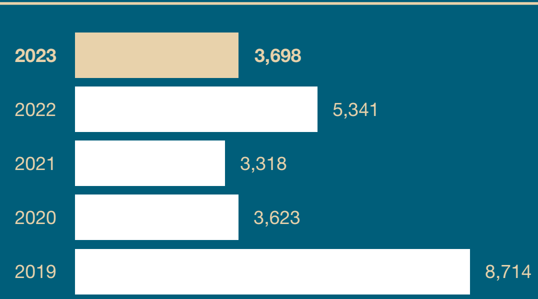
Financial Highlights

Group Five-Year Financial Summary	FYE2023	FYE2022	FYE2021	FYE2020	FYE2019
Revenue (RM' 000)	55,357	63,917	47,983	45,410	65,173
Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA) (RM' 000)	3,698	5,341	3,318	3,623	8,714
Profit for the Year Attributable to Equity Holders (RM' 000)	1,660	2,554	1,730	1,522	5,427
Profit for the Year Margin (%)	3.00	4.00	3.61	3.35	8.33
Shareholders' Equity (RM' 000)	47,618	47,394	46,276	44,569	43,036
Return on Shareholders' Equity (%)	3.49	5.39	3.74	3.41	12.61
Basic Earnings Per Share (sen)	1.18	1.81	1.23	1.08	3.84
Interim and Special Dividend Per Share (sen)	-	1.00	1.00	-	3.40
Group PBT (RM'000)	2,680	4,363	2,326	2,560	7,609
Group PAT (RM'000)	1,660	2,554	1,730	1,522	5,427
Dividend (RM'000)	-	1,412	1,412	-	4,799
Dividend Trend (%)	0.00	55.29	81.62	0.00	88.43

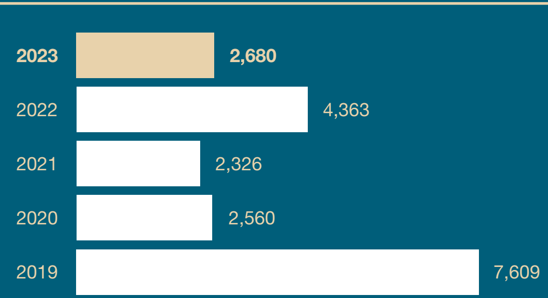
Revenue (RM'000)



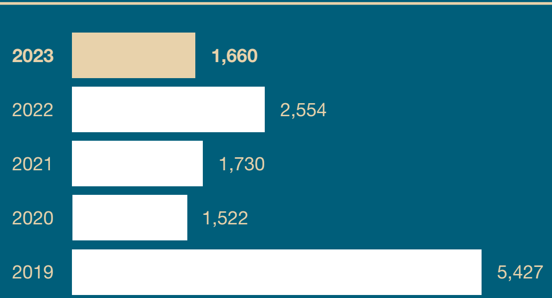
EBITDA (RM'000)



Group PBT (RM'000)



Group PAT (RM'000)



Directors' Profile

Chee Long Sing @ Cher Hwee Seng (Ben Cher)
Executive Chairman
Malaysian | Aged 80 | Male

Mr. Ben Cher was appointed to our Board on 17 April 2000 as Executive Chairman and member of the Remuneration Committee on 1 April 2010. He is a cofounder of the Group.

He is responsible for our Group's business development activities. He co-founded a partnership, Cheong Cheng Trading Co. in 1972, which was engaged in the provision of animal health products. In 1974, a private limited company, Syarikat Chang Cheng (M) Sdn Bhd, was formed to take over the business, which subsequently changed its name to SCC Corporation Sdn Bhd. He was appointed as the Managing Director in 1974 before being appointed to Executive Chairman in 1988.

Mr. Ben Cher has more than 52 years of experience in the animal health products and foodservice equipment industries.

Mr. Ben Cher is the elder brother of Mr. Francis Cher, uncle of Ms. Cheryl Cher and father of Mr. Adam Cher and Mr. Bryan Cher.

He has attended all four (4) out of five (5) Board meetings held during the financial year.

Cher Lip Chun (Adam Cher)
Managing Director
Malaysian | Aged 48 | Male

Mr. Adam Cher was appointed to our Board on 2 July 2012 as Executive Director and re-designated as Managing Director on 1 September 2020.

He is responsible for the overall business strategies and management of the Group. He obtained his Bachelor of Business (Marketing/International Business Management) from Charles Sturt University, Australia in 2002. In 2005, he joined SCC Corporation Sdn Bhd as Assistant Marketing Manager in the Foodservice Equipment Division ("FSED"), where he was responsible for the management of FSED's key customers. In 2008, he was promoted to Personal Assistant to the Executive Chairman and Business Development Manager of the Group, for both AHPD and FSED. Mr. Adam Cher has more than 19 years of experience in the animal health products and foodservice equipment industries.

He is the son of Mr. Ben Cher, elder brother of Mr. Bryan Cher, nephew of Mr. Francis Cher and cousin of Ms. Cheryl Cher.

He has attended all five (5) Board meetings held during the financial year.

Cher Sew Seng (Francis Cher)
Deputy Managing Director
Malaysian | Aged 74 | Male

Mr. Francis Cher was appointed to our Board on 17 April 2000 as Managing Director and re-designated as Deputy Managing Director on 1 September 2020.

Mr. Francis Cher is a cofounder of the Group. He is assisting the Managing Director in the overall business strategies and management. He joined Cheong Cheng Trading Co. as a Sales Executive in 1972. Later in 1974, a private limited company, Syarikat Chang Cheng (M) Sdn Bhd, was formed to take over the business, which subsequently changed its name to SCC Corporation Sdn Bhd. He was appointed as a Director in 1976 before being appointed as Managing Director in 1988. Mr. Francis Cher has more than 51 years of experience in the animal health products and foodservice equipment industries.

He is the younger brother of Mr. Ben Cher, uncle of Mr. Adam Cher and Mr. Bryan Cher, and father of Ms. Cheryl Cher.

He has attended all five (5) Board meetings held during the financial year.

Directors' Profile (cont'd)

Cher Lip Ter (Bryan Cher)
Executive Director
Malaysian | Aged 43 | Male

Mr. Cher Lip Ter was appointed to the Board on 1st March 2024 as Executive Director.

Mr. Cher Lip Ter joined SCC in year 2001 where he started his career from the position of Sales Executive in Foodservice Equipment Division, in charge of HORECA Accounts (Hotel, Cafe & Restaurant). During these years, he was promoted as Business Development Manager and led the Research & Development Department. In year 2023, he was promoted to Group Marketing Manager. He has more than 23 years of working experience in the Foodservice industry. He graduated with a Degree in Bachelor of Business (Marketing) from Hertfordshire University, England.

He is the son of Mr. Chee Long Sing @ Cher Hwee Seng, the nephew of Mr. Cher Sew Seng, the younger brother of Mr. Cher Lip Chun and cousin of Ms. Cheryl Cher.

Datuk Wira Dr. Goy Hong Boon
Non-Independent Non-Executive Director
Malaysian | Aged 52 | Male

He was appointed to our Board on 1 April 2010 and is our Non-Independent Non-Executive Director as well as and a member of the Audit and Nomination Committee and Chairman of Remuneration Committee.

He is a corporate consultant with vast experience in local and international financial markets, likewise in the field of information communications technology. He began his career at an International Investment bank as a Corporate Finance Manager, assisting several large corporations and GLC in raising capital and funds via international and local financial markets. He was later promoted to Head the Division of Corporate Finance and Advisory. Thereafter, he joined a leading local financial firm as Vice President for Business Development and Corporate Advisory. Subsequently, he discovers interest and business opportunities in the field of Information and Communications Technology and ventured into numerous ICT businesses. In addition, he establishes his consulting business focusing on Mergers, Acquisitions, Corporate restructurings, pre-initial public offerings, and ICT project funding.

He graduated with a BBA in 1992 from the American Intercontinental University of London (presently known as Regent's University London). He also holds an MBA from Oklahoma City University and graduated in 1994. He also possesses a Doctorate (DBA) in Strategic Management. He was awarded the Master of Financial Management (MFP) certification from the American Academy of Financial Management. He is a Chartered Audit Committee Director and a member of The Institute of Internal Auditors Malaysia.

He has attended all five (5) Board meetings held during the financial year.

He has no family relationship with any directors and/or major shareholders of the company.

Tan Tian Wooi
Independent Non-Executive Director
Malaysian | Aged 53 | Male

Mr. Tan was appointed to our board on 27 July 2020 as Independent Non-Executive Director. He is the Chairman of the Audit Committee and member of Nomination Committee.

He is a member of the Malaysian Institute of Certified Public Accountants ("MICPA") and the Malaysia Institute of Accountants ("MIA"). He currently owed a practice specializing in audit. He was previously attached to an international audit firm as the Director of Assurance and Business Advisory and later a partner of a medium audit firm. He has a vast experience in Assurance practices such as providing Audit, Compliances and Business Advisory Services.

He has attended four (4) out of five (5) Board meetings held during the financial year.

He has no family relationship with any directors and/or major shareholders of the company.

Puar Chin Jong
Independent Non-Executive Director
Malaysian | Aged 53 | Male

Mr. Puar was appointed to our board on 26 May 2023 as Independent Non-Executive Director. He is the Chairman of the Nomination Committee and member of Audit Committee and Remuneration Committee.

Mr. Puar obtained his Bachelor of Economics (Business Administration) from Universiti Malaya in 1994. In 2001, he was admitted as an Associate Member of the Chartered Institute of Management Accountants.

He began his career in 1994 in FACB Capital Sdn Bhd, a company primarily involved in the business of investment holding, consultancy and money lending, a subsidiary of FACB Resorts Berhad (now known as Karambunai Corporation Berhad), a company primarily involved in the business of investment holdings and provision of management services where its subsidiary companies are principally involved in the leisure and tourism business, prior to its delisting from the Main Market of Bursa Malaysia Securites Berhad ("Bursa Securities") in November 2019, as a Management Trainee in the Corporate Strategy & Research department and was subsequently promoted to Executive in the same department in 1995.

In 1996, he was reassigned as an Executive in the Corporate Finance – Mergers & Acquisitions department and was subsequently promoted to Assistant Manager and Manager in the same department in 1997 and 1998 respectively. During his tenure with FACB Capital Sdn Bhd, he was responsible for managing financing and implementation of various mergers & acquisition exercises. Thereafter, he left FACB Capital Sdn Bhd in 1999.

In 2000, he joined Petaling Tin Berhad ("PTB"), a company primarily involved in the business of property development, property investment and investment holdings prior to its delisting from the Main Market of Bursa Securities in August 2018, as a Senior Manager of Corporate Finance where he was responsible for overseeing end to end mergers and acquisition operations, identifying and reviewing potential deals to enhance the overall shareholders' value of PTB.

He subsequently left PTB in 2003 and joined Alliance Merchant Bank Berhad (now known as Alliance Investment Bank Berhad) ("AIBB"), an investment bank, as a Senior Manager in the Corporate Finance Department in the same year. In 2007, he was promoted to Vice President in the Corporate Finance department and Senior Vice President, Head of Capital Markets – Equity Execution in 2013. During his tenure with AIBB, he led the origination, structuring and management of deals while providing corporate and financial advice on a myriad of mergers & acquisitions, fund raising and takeover exercises as well as restructuring transactions and flotation.

In 2013, he joined RHB Investment Bank Berhad ("RHBIB"), an investment bank, as a Senior Vice President of Corporate Finance. He was involved in corporate finance advisory exercises such as mergers and acquisitions, fund raising and corporate restructuring.

In 2016, he left RHBIB and joined S P Setia Berhad, a public listed company on the Main Market of Bursa Securities primarily involved in the business of investment holdings, where its subsidiary companies are principally involved in property development and other property related business, as the Head of Corporate Affairs, Group Corporate Finance Division. During his tenure in S P Setia Berhad, he has been tasked to overseas the corporate finance, accounting, treasury, audit and taxation as well as investor relations for S P Setia Berhad group of companies. He left S P Setia Berhad as Divisional General Manager in 2022.

He is presently a Partner at ECore Synergy PLT where he provides business management consultancy services as well as focuses in providing guidance and knowledge-sharing opportunities to young professionals in the field of corporate finance.

He is currently the Independent Director of Heng Hup Holdings Limited, a company listed on the Hong Kong Stock Exchange.

He has attended two (2) Board meetings held during the financial year since his appointment.

He has no family relationship with any directors and/or major shareholders of the company.

Directors' Profile (cont'd)

Lew Yen Peng (Rachel)
Independent Non-Executive Director
Malaysian | Aged 47 | Female

Ms. Rachel was appointed to our board on 26 May 2023 as Independent Non-Executive Director. She is also the member of the Audit Committee, Nomination Committee and Remuneration Committee.

Ms Rachel is a Head of Corporate and Institutional Sales for TA Investment Management Berhad. She is responsible for investment and marketing activities for the corporate and institutional sales for the company. She has more than 22 years of experience through her involvement in investment management and strategy for her client's investment portfolios in both RHB Asset management Sdn Bhd and AMFunds Management Berhad; wealth management, branch operation and distribution, risk management and compliance experience with RHB Bank, Standard Chartered Bank and Citibank. Ms Lew graduated with a Bachelor of Business, Banking and Finance degree from University of South Australia in 1999. She also possesses fund management license, Capital Market Services Representative's License in 2019 and financial advisory license: Premier Registered Financial Planner in 2021. She is also a member of Financial Planning Association of Malaysia since 2006.

She has attended two (2) Board meetings held during the financial year since her appointment.

She has no family relationship with any directors and/or major shareholders of the company.

Cher Chou Chiang (Cheryl Cher)
Alternate Director to Mr. Cher Sew Seng
Malaysian | Aged 48 | Female

Ms. Cheryl Cher was appointed as Alternate Director to Cher Sew Seng on 28 May 2019.

Prior to her resignation, she was responsible for assisting the Managing Director in the overall administrative and foodservice equipment division of our Group. She obtained her Bachelor of Science in Business Administration from University of Nebraska Lincoln, College of Business Administration in 2000. In 2003, she joined SCC Corporation Sdn Bhd as Sales Executive in the Foodservice Equipment Division ("FSED"), where she was responsible for the management of FSED's key customers. In 2013, she was promoted to Division Manager of FSED. Ms Cheryl has more than 19 years of experience in the foodservice equipment industries. She had resigned from the company as FSED Division Manager on 31 March 2023.

She is the daughter of Mr. Francis Cher, niece of Mr. Ben Cher, and cousin of Mr. Adam Cher and Mr. Bryan Cher.

She did not attend any of the Board meetings held during the financial year.

Other Information

a. ***Directorship in Public Companies and Listed Issuers***
   Save for Mr Puar Chin Jong, none of the Directors has any directorship in Public Companies and listed Issuers.
b. ***Conflict of Interest***
   None of the Directors has any conflict of interest with SCC Holdings Berhad or its subsidiaries.
c. ***Conviction of Offences***
   None of the Directors has been convicted for any offences within the past 5 years other than traffic offences and have not been imposed with any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any.

Key Senior Management's Profile

Key Senior Management comprises individuals who hold crucial leadership positions within the organization, responsible for driving strategic decisions and managing daily operations.

The Key Senior Management of the Group includes:

Mr. Chee Long Sing @ Cher Hwee Seng (Ben Cher)
Malaysian | Aged 80 | Male

Mr Ben Cher currently holds the position of Executive Chairman of the group. He is responsible for overseeing the overall business operation and development of the Group. Further details of him can be found in the Directors' profile on page 5 of this Annual Report.

Cher Lip Chun (Adam Cher)
Malaysian | Aged 48 | Male

Mr. Adam Cher currently holds the position of Managing Director of the group. He is responsible for overseeing the overall business operation and management of the Group. Further details of him can be found in the Directors' profile on page 5 of this Annual Report.

Cher Sew Seng (Francis Cher)
Malaysian | Aged 74 | Male

Mr. Francis Cher currently holds the position of Deputy Managing Director of the group. He is responsible for overseeing the overall business development of the Group. Further details of him can be found in the Directors' profile on page 5 of this Annual Report.

Cher Lip Ter (Bryan Cher)
Malaysian | Aged 43 | Male

Mr. Bryan Cher currently holds the position of Executive Director of the group. He is responsible for overseeing the overall marketing activities and plans of the Group. Further details of him can be found in the Directors' profile on page 6 of this Annual Report.

Management Discussion and Analysis

OVERVIEW OF BUSINESS AND OPERATIONS

The principal activities of SCC Holdings Berhad ("SCC") and its subsidiaries ("The Group") in the financial year ended 31 December 2023 ("FYE2023") are divided into three distinctive business segments and there are no changes since the year before.

The Foodsevice Equipment Division ("FSED") is involved in the business of distribution, sales, service and parts supplies of well-known industrial-grade foodservice equipment and supplies to the Food and Beverages ("F&B") markets which are widely used in restaurants, cafes, fast food chains, cinemas, convenient stores and hypermarkets, among others.

The Animal Health Products Division's ("AHPD") main activities are acting as distributor and sales agent for imported and local manufactured animal health feed additives, pathogen controls and amino acids products meant for feed millers and livestock industries.

Last but not least, the Food Manufacturing Division ("SCCFM") complements FSED by manufacturing food premixes and ingredients, supplying to FSED's customers and also produces consumer food products to be marketed directly to end consumers.

Going forward, the Group's focus is to continuously enhance its product range and deliver innovative products and services in order to be the industry's top choice. In addition, it will explore new markets and business opportunities, which will enable us to reach out beyond our traditional customer base to ensure that we can continue sustainably and passionately for future growth.

FINANCIAL PERFORMANCE REVIEW

Review on Statement of Comprehensive Income

Many believed that we are already at post-pandemic in 2023, however, things get complicated and changes to the consumer behavior during the pandemic era had affected many businesses performance. While we saw an improvement in 2022, it doesn't carried down to 2023 as recession started to kick in couple with the uncertainties in world economies and the on-going wars, many businesses including us are directly and also indirectly affected. Unfavorable United States Dollar ("USD") exchange rates drove up our cost and heated competitions from the competitors drove down our margins.

As a result, 2023 did not continue to ride on the improvement gained in 2022, but saw a decline in revenues for all of our businesses. However bad it is, with co-operation and hard work of all employees, we managed to stay in the black despite all the negativities happening during the year.

Review on Statement of Comprehensive Income

During the financial year ended FYE2023, the Group achieved consolidated revenue of RM55.36 million compared to RM63.92 million reported in the previous year which represents a decrease of approximately 13% mainly due to low demand for the cinema segment for food supplies and low price and low demand for our commodity products for the livestock markets.

Our gross profit decreased by approximately 18% from RM18.58 million in FYE2022 to RM15.22 million in FYE2023 mainly due to increase in cost due to unfavorable foreign exchange rate and also price competition from the competitors.

Profit before tax of the Group dropped by approximately 39% from RM4.36 million in FYE2022 to RM2.68 million in FYE2023 due to reasons stated above.

FINANCIAL PERFORMANCE REVIEW (CONT'D)

Review on Statement of Financial Position

Non-current assets dropped from RM6.85 million in FYE2022 to RM6.52 million in FYE2023 mainly due increased provision of right of use assets and properties depreciations in FYE2023.

Trade Receivables exhibited an increase of RM1.0 million, which can be primarily attributed to revenue generated towards end of the year and trade receivables past due amounted to RM6.78 million this year which is more than RM4.62 million last year.

We are taking effort to reduce our inventories and succeeded in reduced them from RM18.29 million to RM16.82 million in FYE2023.

WORKING CAPITAL, LIQUIDITY

The Group maintains a robust working capital ratio as it continues its prudent policy on working capital management.

The financial prospect of the Group continues to be well guarded with its enviable zero gearing position which places it in a favourable financial position to capture any good opportunity to enhance our future growth prospect.

DIVIDEND

The Board did not propose any dividend distribution during the year.

SEGMENTAL BUSINESS REVIEW / REVIEW OF OPERATING ACTIVITIES

Animal Health Products Division ("AHPD")

Revenue contributed from AHPD decreased by RM3.23 million or 10.1% to RM28.92 million. Its total revenue contribution for the year represented approximately 52.2% of the Group's total revenue.

The decrease is mainly due to lower market demand for the amino acid. Slower than expected recovery production rate of poultry farms after pandemic and also the severe effect of African Swine Flu that hit the Swine industry heavily during the year also causing the under performance of the segment.

The division will continue to source new products to complement its existing range of products to enhance its product portfolio.

Foodservice Equipment Division ("FSED")

The segment saw dropped in revenue of RM5.42 million or 17.1% compared to FYE2022 and contributed 47.5% of total Group's revenue.

The dropped of sales are mainly due to reduction of orders for food supplies from major cinema customer. The cinema business never got back to pre-pandemic volume and admission rate are very low. The strike of the screenwriter by the Writers Guild of America during the year causing many scheduled movies being delayed add on the pressure to the cinemas for lack of contents that could attract cinema goers and directly impacted the concessions sales.

With the availability of fast internet and shorter time frame of new movies hitting the streaming service after cinema showing also affected admission numbers to the cinemas.

Management Discussion and Analysis (cont'd)

SEGMENTAL BUSINESS REVIEW / REVIEW OF OPERATING ACTIVITIES (CONT'D)

Food Manufacturing ("SCCFM")

The food manufacturing arm of the group did not fared well during the year with sluggish sales for the first nine months of FYE2023 but regain a little momentum in fourth quarter for the food premixes products. SCCFM mainly passes on all domestic sales and marketing to companies within the Group during the year and the sales is being reflected into total sales of food supplies. Direct customer for export and special events only contributed RM22,000 during the year. Sales to the sister company for the year stood at RM1.54 million.

We received favorable responses for our in house developed caramel products both domestically and overseas and chances to receive orders from overseas customers are very positive.

ANTICIPATED OR KNOWN RISKS

Business Risks

While navigating the fiercely competitive landscape of the business world, our Group is constantly challenged by the onslaught of new players vying for a share of the market, all while offering similar product categories.

However, our steadfast commitment to delivering exceptional quality products and outstanding services to our customers allows us to maintain our competitive edge. We achieve this by collaborating closely with our customers, staying up to date with emerging market trends, and investing in the professional development of our human capital to equip them with the necessary skills to overcome the challenges posed by the competition.

Supply Chain Disruption Risks

The Group relies on suppliers to provide on-time shipments. The availability and timeliness of deliveries are critical to our ability to meet customer demand. Hence, we have put in place, as part of our risk management policy, inventory buffers to accommodate temporary shortage or delivery disruption as any material disruptions of delivery could result in us not being able to meet customers' demands which will have an adverse impact on our sales, earnings, financial condition and liquidity.

Foreign Currency Exchange Fluctuation Risk

The Group is exposed to foreign exchange fluctuation as most of the Group's purchases are denominated in foreign currencies such as US Dollar ("USD"). The USD/RM rate is the primary driver of the Group's currency risk as its exposure to other currencies is minimal.

To mitigate this risk, the Group diligently monitors the foreign exchange rates and shall enter into foreign currency hedging contracts if deemed necessary.

Exposure To Credit Risk

The Group's exposure to credit risk arises primarily from trade receivables. Financial difficulties experienced by our customers, some of whom have been adversely impacted by the Covid-19 pandemic since its onslaught in 2020 could result in delays in collection and greater bad debt expense.

Nevertheless, the Group's objective remains to seek continuous revenue growth while minimising losses from impairment and bad debts. To achieve this, the Group assesses and approves credit terms on a case-by case basis after taking into account factors such as customer's payment track record, financial standing and length of business relationship and size of transaction.

It is worth noting that as we transition into the endemic phase, the situation is gradually improving, and the Group is actively monitoring the situation to ensure that credit risk exposure is kept under control.

ANTICIPATED OR KNOWN RISKS (CONT'D)

Foreign currency exchange fluctuation

The Group is exposed to currency exchange fluctuation as most of the Group's purchases are denominated in foreign currencies such as USD.

In order to minimise exposure to significant fluctuations in the RM to USD, the Group hedges through foreign exchange forward contracts, options and dual currency investment.

Besides that, the risk is also mitigated through natural hedge between sales and purchases in USD, albeit to a limited extent.

The Management will continue to closely monitor our foreign exchange exposure by keeping abreast of the economic and political situations of the countries that we deal with.

Exposure to credit risk

The Group's exposure to credit risk arises primarily from trade receivables. It is the Group's objective to seek continuous revenue growth while minimising losses from impairment and bad debts by assessing and approving credit terms on a case-by case basis after taking into account customer's payment track record, financial standing and length of business relationship and size of transaction.

Our collections from customers are closely monitored on an on-going basis by the credit control committee.

FUTURE PROSPECTS AND OUTLOOK

The uncertain global economy is anticipated to linger. The Russia-Ukraine and Israel-Palestine geopolitical conflict continues to put a dent on the world economy in particular on energy and agriculture-related goods, and also certain consumers' reaction that disrupted domestic market due to the conflict.

Costs are expected to remain high in light of sustained inflation and unfavourable foreign exchange rate, which affect our margins. The situation experienced thus far shows the importance for us to explore more of our in-house products, diversification of products and expansion of business into other region and depend less on non-in house product.

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.

ACKNOWLEDGEMENTS AND APPRECIATION

SCC believes in creating value for all, is deeply integrated in our culture and motivates us to continue delivering growth and shared value for stakeholders. We hold ourselves accountable in our actions. We cherish and recognize the effort it took to get to where we are today. We will rise to the challenge of driving sustainable value creation and keep working hard to deliver on our mission.

On behalf of the Board of Directors, I wish to extend my deep appreciation to all stakeholders for their faith and trust in SCC. We are grateful for the continued loyalty and support. In addition, I want to express my heartfelt gratitude to fellow Board members, Management, and all employees for your efforts and dedication to SCC.

Sustainability Statement

Sustainability has always been an integral component in our Group's operations. We recognize our duty and responsibility to maintain a high standard of sustainability governance explicitly on the Economic, Environmental and Social (EES) areas to create continuous and long-term values for our stakeholders.

SCC remains committed to advancing sustainable practices and driving positive economic, environment and social impacts in all aspects of its business. Through collaboration, innovation, and continuous improvement, the Group strives to create value for its stakeholders while maintaining a resilient and profitable operation.

ECONOMIC

Stakeholder Engagement

SCC Group prioritizes stakeholder engagement as a means to gain valuable insights and build meaningful relationships. The Group's stakeholder engagement program includes regular meetings with suppliers, customers, and other key stakeholders. It also conducts annual general meetings and maintains an investor relations website to provide stakeholders with important updates and encourage open communication. These initiatives reflect the Group's commitment to accountability and collaboration with all its stakeholders towards a sustainable future.

Supply Chain Management

Ensuring the safety and quality of its products is a top priority for the Group and it has implemented rigorous supply chain management practices to achieve this objective. To this end, the Group obtained the ISO 9001:2015, FSSC 22000, HACCP, HALAL and MESTI certification standards, which ensure that its products comply with global food safety regulations and meet the requirements of the Halal certification. These certifications demonstrate the Group's unwavering commitment in upholding the highest standards of quality and safety across its entire supply chain, from sourcing to delivery. SCC Group continuously monitors and enhances its supply chain practices to minimize risk and ensure that its products consistently meet or exceed its customers' expectations. By maintaining these exacting standards, the Group aims to foster trust with its customers and stakeholders and contribute to a sustainable and responsible food system.

Financial Performance

SCC Group's financial performance is a fundamental metric of its organization's sustainability and the Group places a high importance on maintaining its robustness. The Group's strategic goal is to sustain profitability by effectively managing risks and capitalizing on growth opportunities. In pursuit of this objective, the Group has established a comprehensive framework for financial management, incorporated best practices in reporting, analysis and risk assessment. The Group's ability to consistently adapt to market changes and maintain financial stability, even during challenging times such as economic downturns or unexpected disruptions, is a testament to its agility and responsiveness. The Group's commitment to sustainable financial performance benefits its stakeholders in the long term, and the Group will continue to prioritize it in all its business decisions.

ENVIRONMENTAL

In the context of growing environment challenges, the Group is accelerating its transformation towards a model respecting planetary boundaries and reinforcing its commitments to sustainability. As part of this commitment, the Group offers sustainable solutions to its customers that promote health and wellness while minimizing its impact on the environment. For instance, TurboChef Rapid Cooker and Lincat Cibo+ Oven reduce cooking times by up to 80% compared to traditional ovens, resulting in less energy consumption and waste. Additionally, Irinox Blast Chiller and Orved Vacuum Pack Machines are eco-friendly products that rapidly chill and preserve food, respectively, reducing the risk of bacterial growth, extending shelf life, and minimizing waste.

Furthermore, the Group is also committed to providing non-antibiotic animal health products that promote animal health and wellness while reducing the risk of antibiotic resistance. These products exemplify the Group's commitment to providing sustainable solutions that benefit its customers and the environment.

SOCIAL

SCC Group recognizes the importance of engaging with its local communities and supporting their development. The Group has been implementing volunteer programs and community outreach initiatives to promote social cohesion and contribute to sustainable development. The Group's goal is to build strong relationships with local stakeholders and make positive impacts in the areas where it operates. The Group believes that by working together, it can create shared value for both its business and the communities it serves.

In a nutshell, SCC Group remains steadfast in its commitment to sustainability and corporate social responsibility. Through the implementation of various initiatives, the Group has significantly reduced its environmental impact, engaged with stakeholders, and supported local communities. However, the Group recognizes that there is always room for improvement, and it should not rest on its laurels. SCC Group will continue to closely monitor its performance and identify areas for further enhancement to ensure that it remains at the forefront of sustainable and responsible business practices.

CiBO+ by Lincat

SETTING THE NEW BENCHMARK IN HIGH SPEED VENTLESS COOKING

- Faster service - food ordered now, served now
- Fantastic food, every time
- A wider menu choice
- Reduced lines and wait times
- Increased productivity
- Less than 16" wide and 26" deep!
- Oven cavity can fit a 12" Pizza
- Less waste
- 3kW
- Price? Less than comparable fast cook ovens!

- Happy, loyal customers
- Maximized profits
- A future proofed business

UNIQUE TRI-HEAT TECHNOLOGY

Temperature	Five temperatures groups
Cooking area size	13.38" x 13.38"
Heat Methods	Microwave, ContactBase, TurboAir
Base Heat	Direct cook on the toughened neo ceram ContactBase – no soggy, sweaty bottom
Coloration	ContactBase and TurboAir for even coloration
Resolution	800 x 480 pixels
Cooldown	Cooldown+, no ice required
Colors Available	Black, Red, Purple, Green

What could you deliver?

BACON Roll COOKS IN 45 SECS.

Paninis COOKS IN 45 SECS.

RIBS & Fries COOKS IN 1 MIN. 20 SECS.

Vegan PIZZA COOKS IN 1 MIN. 35 SECS.

INTRODUCING
TRI-HEAT TECHNOLOGY

Understanding the technology is a great start in learning how to use your **CiBO+**. A unique combination of three heat sources; **TurboAir** (convection), **ContactBase** and **Microwave** deliver fast, quality and consistent results.

TurboAir distributes high speed, convected air in a cylindrical pattern over the food, to deliver consistent coloration.

ContactBase is the temperature controlled neoceram glass base. Contact with the glass gives better base coloration, repeatability and crispiness as well as faster oven heat up.

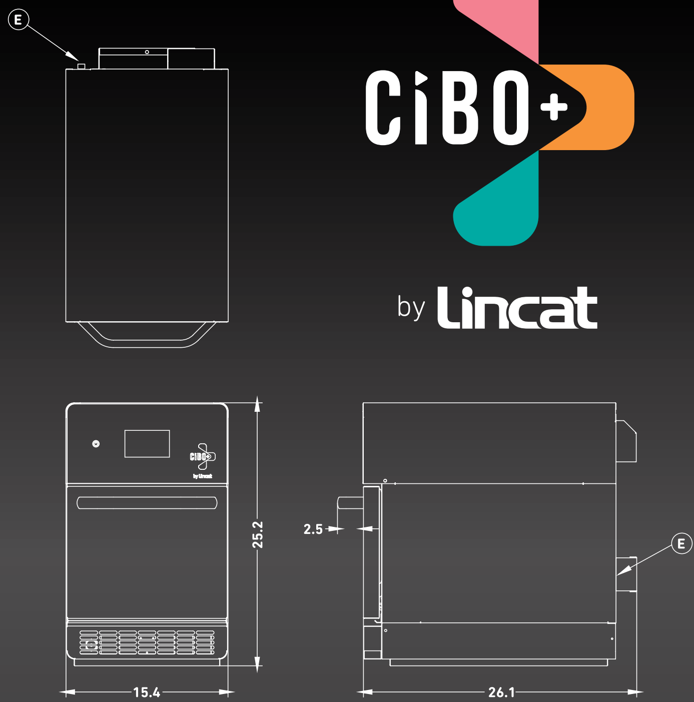
Microwave A rear launched Microwave with stirrer brings speed to the cooking process.

WHAT CAN I COOK?

CIBO+ can cook all types of food, however the oven is fitted with a catalytic converter which can become blocked and ineffective if excessive amounts of fatty raw meat such as burgers and sausages are cooked. **CiBO+** works best for re-heating cooked meats.

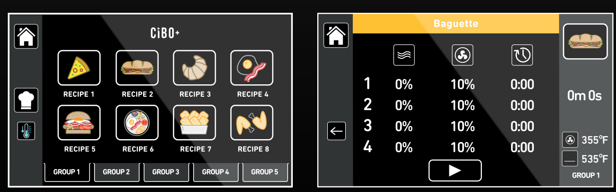
We recommend you always cook on the Teflon sheet if you are cooking directly on the glass base.

CiBO+ by Lincat



- 15.6" x 26.2" compact footprint with a generous sized oven that can deliver a 12" pizza.
- No installation required – plug in and cook.
- Unique tri-heat technology combines Microwave, TurboAir, and ContactBase to deliver perfect results every time. Say hello to even coloration and crispiness and goodbye to soggy bottoms!
- Utilize non-traditional spaces with ventless technology.
- Antimicrobial protection on handle and touchpad reduces the spread of viruses.
- Comfortable, ergonomic handle built to withstand heavy use.
- Easy to clean, 430 series stainless steel exterior with a fully welded, 304 series stainless steel interior.
- Fully customizable QPad touch screen allows you to touch any one of the 40 menu items and the oven will do the rest.

QPAD TOUCH SCREEN



UK MANUFACTURED

lincat.co.uk

Corporate Governance Overview Statement

The Board of Directors ("Board") of SCC Holdings Berhad ("SCC" or "the Company") recognises its roles and responsibilities in protecting and enhancing the interest of the shareholders and stakeholders whilst enabling the Company and its group of companies ("Group") to achieve long term profitability and sustainability. The Board strives to ensure that the highest standards of corporate governance is practiced throughout the Group by enforcing good standards of accountability, all with a view to enable Management to execute its duties effectively.

This statement is prepared in compliance with Ace Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and it is to be read in conjunction with the Corporate Governance Report ("CG Report") 2023 of the Company which is available on SCC Holdings' website: http://www.sccholdings.com.my.

The CG Report 2023 spells out the details on how the Group has applied each Practice as set out in the Malaysian Code on Corporate Governance 2021 ("MCCG 2021") during the financial year ended 31 December 2023 ("FYE 2023").

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESSS

I. BOARD RESPONSIBILITIES

The Board is responsible for the stewardship of the Group and the direction of the Management. It is responsible and accountable to the long term sustainable value creation for its stakeholders.

Each director shares his experience and contributes his valuable insights to enable the Board to function effectively in discharging its duties and responsibilities as required of them with due care and diligence.

The Group has documented clear policies to identify and segregate the functions and responsibilities of the Board and the Management, Executive Chairman as well as the Managing Director in ensuring the smooth running of the Group's business and operations.

Their responsibilities are guided by the Board Charter, which has been reviewed and updated to be in line with the practices of MCCG 2021 and the Companies Act 2016, a copy of which is made available to all Directors of the Company. The Board Charter is available at SCC's corporate website at www.sccholdings.com.my.

II. ROLES OF CHAIRMAN, MANAGING DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTORS

The roles of the Chairman of the Board, Managing Director, Executive Director and the Independent Non-Executive Directors ("INEDs") are mutually exclusive with a clear definition of responsibilities in line with best practices. The functions of the Chairman as well as those of the Managing Director are clearly segregated to ensure that there is a balance of power and authority.

Mr. Chee Long Sing @ Cher Hwee Seng, as the Executive Chairman leads the Board by overseeing the strategies and business affairs of the Group.

Mr. Cher Lip Chun, the Managing Director of the Group, leads the Management in executing board policies, strategies and action plans approved by the Board. He is actively involved in the reporting and discussion with the Board on the Group's business performance, direction and development, including all strategic matters affecting the Group.

The Board discharges some of its responsibilities through delegation to Board Committees. The Board Committees bring an increased focus on key areas and explore them more deeply, thereby gaining a greater understanding of the detail. Any delegation of authorities to Board Committees is formally documented in writing through the Terms of Reference, while the Board maintains a schedule of key matters which are reserved for its decision.

III. COMPANY SECRETARY

The Board is grateful to be supported by a very experienced, knowledgeable, qualified and competent Company Secretary. Her expertise, clear and sound advice has enabled the Board to comply with the regulatory requirements, new statutes and directives issued by the regulatory authorities.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESSS (CONT'D)

IV. BOARD COMPOSITION

The Board currently comprises 8 (Eight) members, i.e. 1 (One) Executive Chairman, 3 (Three) Executive Directors, 3 (Three) INED and 1 (One) Non-Independent Non-Executive Director. The size and the composition of the Board remains adequate to provide a diversity of views, skills, knowledge and experience to facilitate effective decision making and an appropriate balance of executive independent and non-independent directors.

The profile of each of the Board of Directors is presented in the Annual Report 2023 from page 5 to page 8.

The Board acknowledges the importance of board diversity, including gender diversity, to the effective functioning of the Board. Nevertheless, the Group provides equal opportunity to all appointments and employments are based on merit and not driven by any racial or gender bias.

V. NOMINATION COMMITTEE

The Nomination Committee ("NC") was established in 2010. The primary objective of the NC is to ensure that the Board is comprised of individuals with an optimal mix of qualifications, skills and experience.

Meetings of the NC are held as and when necessary, and at least once a year.

The present composition of the NC consists of 3 members of the Board, all of whom are INEDs.

The Terms of Reference of the NC was updated and approved on 24 November 2016 and is available at the Group's corporate website at www.sccholdings.com.my

The NC's key responsibilities are: -

(a) Appointment of New Director

The chart below shows the procedures on appointment of new Director.

Identify Candidate → Conduct Assessment and Evaluation by NC → Recommendation by NC to the Board → Approval by the Board

The appointment of new Director to the Board is based on the recommendations of the NC.

The NC, in making a recommendation to the Board on the candidate as a new Board appointment, shall have regards to:

(i) Size, composition, diversity (including gender diversity) and other qualities of the existing Board, level of commitment, resources and time that the recommended candidate can contribute to the existing Board and the Group;

(ii) The candidate's skills, knowledge, expertise and experience, professionalism, integrity and, in the case of a candidate for the position of INED, the independence criteria as set out in Rule 1.01 of the AMLR; and

(iii) The appropriate number of Independent Directors to fulfil the requirements under AMLR which requires at least 2 or 1/3 of the membership of the Board to be Independent Directors.

The final decision as to who shall be appointed as Director remains the responsibility of the full Board after considering the recommendation of the NC.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESSS (CONT'D)

V. NOMINATION COMMITTEE (CONT'D)

(b) Board Evaluation

The evaluation of the effectiveness of the Board, Board Committees as well as individual Directors including INED was conducted in-house under the purview of the NC and facilitated by the Company Secretary.

The evaluation criteria for the Board, Board Committees and individual Directors are primarily anchored on regulatory requirements and emerging best practices of MCCG as the method of evaluation.

The NC assesses the effectiveness of the Board and the Board Committees, as well as performance of the individual Directors on an annual basis. In addition to these annual assessments, the NC actively identifies the gaps in the Board composition as well as identifies and selects new members to the Board.

The questionnaires comprised the Board and Board Committee Effectiveness Assessments, Directors and Board Committee members' Self and Peer Assessments, were issued to the Board/Committee members.

(c) Re-election of Directors

Director's re-election provides an opportunity for shareholders to renew their mandate conferred to the Directors.

The NC is responsible for making recommendation to the Board for the re-election of Directors who retire by rotation. Their recommendations are based on formal reviews on the performance of Directors, taking into consideration the Board Competency Matrix.

Further, the Constitution of the Group provides that all Directors shall retire by rotation once in every 3 years or at least 1/3 of the Board shall retire from office and be eligible to offer themselves for re-election at the Annual General Meeting.

Any Director appointed during the year is required under the Company's Constitution to retire and seek re-election by shareholders at the following Annual General Meeting immediately after his/her appointment.

NC's Activities During The FYE 2023

Below is a summary of the activities undertaken by the NC for the FYE 2023: -

(a) Assessed the overall Board and the Board Committees' performance and effectiveness as a whole;
(b) Reviewed and assessed the independence of Independent Directors and their tenure of service;
(c) Reviewed and assessed the term of office and performance of the AC and each of its members;
(d) Reviewed the succession plan for the Board members;
(e) Reviewed and assessed the performance, and made recommendations to the Board for its approval, regarding the Directors who are seeking for re-election at the upcoming AGM;
(f) Assessed Directors' training to ensure all Directors receive appropriate continuous training programmes; and
(g) Reviewed and recommended to the Board the adoption of Directors' Fit and Proper Policy.

The Board, through the NC, undertakes a yearly evaluation in order to assess how well the Board, its Committees, the Directors and the Chairman are performing, including assessing the independence of INEDs, taking into account the individual Director's capability to exercise independent judgement at all times.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESSS (CONT'D)

V. NOMINATION COMMITTEE (CONT'D)

Independency of Independent Directors

The Independent Directors provide unbiased and independent judgment in ensuring that the strategies proposed by the Management are fully and objectively deliberated, challenged and examined, taking into account the interests of shareholders and other stakeholders of the Group. They serve as vital safeguards for the rights of minority shareholders and bring invaluable impartiality to the Board's decision-making process.

The assessment of each Independent Director's independence status is conducted on an annual basis, upon reappointment, or whenever new interests or relationships emerge. This assessment adheres to the criteria outlined in the Listing Requirements of Bursa Malaysia.

As of the date of this statement, none of the Independent Directors has served for a cumulative period exceeding nine (9) years. However, should the Board wish to retain an Independent Director beyond the ninth (9) year, they will be required to justify the decision and seek annual approval from shareholders through a two-tier voting process.

VI. PROMOTING GOOD BUSINESS CONDUCT

Code Of Conduct and Ethics

The Board had established a Code of Conduct and Ethics for the Group on 25 April 2013, and together with the management, implemented its policies and procedures which governs, amongst others, dealings with customers and suppliers, managing conflicts of interest, maintaining confidential information, accepting gifts, loans and entertainment, accepting directorship outside the Group, complying with laws and regulations, ensuring a healthy and safe environment, protection and use of the Group's asset, insider information and securities trading and sexual harassment.

The Code of Conduct and Ethics (included and formed part of Board Charter) is periodically reviewed and is available on the Group's corporate website at www.sccholdings.com.my.

Whistleblowing Policy

The Board had established the policies and procedures on whistleblowing for the Group on 30 April 2018. The Group's whistleblowing policies and procedures provide an avenue for all employees of the Group and members of the public to raise concerns or disclose any improper conduct within the Group and to take appropriate action to resolve them effectively.

The Whistleblowing Policy is periodically reviewed and is available on the Group's corporate website at www.sccholdings.com.my.

The Board has in place an Anti-Bribery and Anti-Corruption Policy to prevent corrupt practices and to provide a measure of assurance and defence against corporate liability for corruption under Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

The Anti-Bribery and Anti-Corruption Policy is available on the Group's corporate website at www.sccholdings.com.my

Directors Fit And Proper Policy

The Board has in place a Directors' Fit and Proper Policy, which was adopted on 25 May 2022, which sets out the fitness and propriety for the appointment and re-election of Directors and to ensure that each of the Director has the character, integrity, experience, competence and time commitment to effectively discharge his/her role as a Director of the Group in tandem with good corporate governance practices.

The Directors' Fit and Proper Policy is available on the Group's corporate website at www.sccholdings.com.my

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESSS (CONT'D)

VI. PROMOTING GOOD BUSINESS CONDUCT (CONT'D)

Governance of Sustainability

The Board and Key Senior Management are mindful of the importance of building a sustainable business and are determined to embed sustainability into the Group's business operations to achieve the objectives of the Group by minimising the environmental impact arising from the operations as well as improving social and economic conditions for all stakeholders.

The Board is responsible for the overall sustainability strategy and oversees the Group's sustainability framework whilst the Managing Director/Executive Directors are responsible for incorporating sustainability into the business strategies and business decisions.

As addressing material sustainability risks and opportunities is the responsibility of the Board and Key Senior Management, the performance evaluation of the Board and Key Senior Management includes the consideration of Environmental, Social and Governance ("ESG") issues or sustainability.

The NC and Board would assess the trainings attended by all Directors to ensure that the Directors are continuously kept abreast of sustainability issues and climate-related risks and opportunities.

The details of the Group's sustainability practices are set out in the Sustainability Statement in this Annual Report.

VII. BOARD REMUNERATION

The Board has established a Remuneration Committee ("RC") to assist the Board in establishing formal and transparent remuneration packages for the Directors and believes that the levels of remuneration offered by the Group are sufficient to attract directors of calibre with sufficient experience and talent to contribute to the performance of the Group.

The INEDs' remuneration comprises annual fees that reflect their expected roles and responsibilities. The Company has obtained approval from the shareholders at the 23rd AGM held on 26 May 2023 to pay the Directors' Fees to the INEDs for the FYE 2023 and FYE2024.

The remuneration packages applicable for the Executive Chairman, Managing Director, Deputy Managing Director and Executive Director have the underlying objective of attracting and retaining an Executive Director needed to manage the Company successfully. The remuneration packages of the Executive Chairman, Managing Director, Deputy Managing Director and Executive Director are structured to commensurate with the achievement of corporate targets set by the Board and their individual performance. Their remuneration packages have been reviewed by the RC and approved by the Board.

The remuneration of the Executive Chairman, Managing Director, Deputy Managing Director and Executive Director consists of basic salary and other emoluments. Furthermore, benefits customary to the Group are also made available as appropriate.

The Group operates a bonus scheme for all its employees including Executive Directors. The performance of the Group along with assessment of the individual's performance forms the criteria for the scheme.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESSS (CONT'D)

VII. BOARD REMUNERATION (CONT'D)

The details of the remuneration of the Directors of the Company (comprising remuneration received and/or receivable from the Company and its subsidiaries) during the FYE 2023 are as follows:

Director's Name	Director Fee	Salary and Emoluments	Bonuses	EPF (Employer)	SOCSO/ EIS (Employer)	Benefits in Kind	Total
Chee Long Sing @ Cher Hwee Seng	-	360,000	30,000	-	743	10,625	401,368
Cher Sew Seng	-	435,000	35,000	18,800	743	10,625	500,167
Cher Lip Chun	-	405,000	35,000	52,800	1,159	10,625	504,584
Dato' Ismail bin Hamzah	10,000	-	-	-	-	900	10,900
Datuk Wira Dr Goy Hong Boon	24,000	-	-	-	-	1,500	25,500
Tan Tian Wooi	24,000	-	-	-	-	900	24,900
Puar Chin Jong	14,000	-	-	-	-	300	14,300
Lew Yen Peng	14,000	-	-	-	-	300	14,300
Total	**86,000**	**1,200,000**	**100,000**	**71,600**	**2,645**	**35,775**	**1,496,019**

Note: The above mentioned Directors' remuneration is the total sum of the remuneration received by the Directors from the Company and its subsidiaries.

VIII. BOARD COMMITMENT

The Directors are aware of the time commitment expected from them to attend matters of the Group in general, including attending Board and Board Committees meetings.

The Board meets on a quarterly basis, with additional meetings being convened when necessary to address issues deemed urgent. The Board met on five (5) occasions during the financial year and the details of attendance at Board Meetings held during the financial year are set out below:

Name of Directors	Meetings Attended	% of Attendance
Mr. Chee Long Sing @ Cher Hwee Seng	4/5	80
Mr. Cher Sew Seng	5/5	100
Mr. Cher Lip Chun	5/5	100
Dato' Ismail bin Hamzah *(Retired on 26 May 2023)*	3/3	100
Datuk Wira Dr Goy Hong Boon	5/5	100
Mr. Tan Tian Wooi	4/5	80
Mr. Puar Chin Jong *(Appointed 26 May 2023)*	2/2	100
Ms. Lew Yen Peng *(Appointed 26 May 2023)*	2/2	100

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESSS (CONT'D)

IX. TRAINING

The Board encourages Directors to continuously upgrade their knowledge and expertise, whether through the training programme provided in house or external trainers. Some of the Directors have from time to time also attended various relevant training programmes and seminars organised by the relevant regulatory authorities and professional bodies to broaden their knowledge and to keep abreast with the relevant changes in law, regulations and the business environment. All Directors have completed the Mandatory Accreditation Programme as stipulated in AMLR.

During the financial year under review, the training programmes attended by the Directors were as follows:

Name of Directors	Programme
Mr. Chee Long Sing @ Cher Hwee Seng	Motivation using shares option
Mr. Cher Sew Seng	Malaysian Taxation updates
Mr. Cher Lip Chun	1. Management of Cyber Risk 2. China-Malaysia Trade and Investment Cross Border Financial Service Forum
Ms. Cher Chou Chiang	Human Mind Encyclopaedia Technical & Practical Course
Mr. Puar Chin Jong	Mandatory Accreditation Programme (MAP) Part 1
Datuk Wira Dr. Goy Hong Boon	Invest Smart Fest 2023
Ms. Lew Yen Peng	Mandatory Accreditation Programme (MAP) Part 1
Mr. Tan Tian Wooi	ESG Reporting: A key to Value Creation Today

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The Audit Committee of the Company ("AC") comprises three (3) INEDs and one (1) Non-Independent Non-Executive Director. The Chairman of the AC, Mr Tan Tian Wooi is financially literate, possesses the appropriate levels of expertise and experience and is a member of the Malaysia Institute of Accountants, while all members possess substantial corporate management experience.

NC had conducted an annual assessment to ensure the independence, objectivity and effectiveness of the AC.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is responsible for the adequacy and effectiveness of the Group's Risk Management and Internal Control System. These controls provide reasonable but not absolute assurance against material misstatements, loss or fraud.

The Directors are responsible for the Group's system of internal control. The internal control covers the financial and non-financial aspects including risk assessment. It also emphasises compliance and operational controls, as well as risk management matters. The Group has formalised a set of Standard Operating Procedures and International Organization for Standardization ("ISOs") for its business and supporting units, which takes into consideration the adequacy and integrity of the system of internal control, and is subject to review by Management. A Risk Management and Internal Controls Committee ("RMC"), chaired by the Managing Director have been set up for this purpose. RMC includes 3 Executive Directors and all management staffs.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

Information on the Group's activities is provided in the Annual Report and Financial Statements in hard copy, which are despatched to shareholders. Dialogues are also held by the Group with investment analysts and fund managers to keep them abreast of corporate and financial developments within the Group.

The Company also encourages the shareholders and investors to access online the Company's Annual Report and all up to date announcements from time to time, which are made available instantly at both Bursa Securities and the Company's website at www.sccholdings.com.my.

Investors and the general public who wish to contact the Group on any enquiry, comment or proposal can channel them through e-mail at ir@scc.com.my.

II. CONDUCT OF GENERAL MEETINGS

The Annual General Meeting ("AGM") is the principal forum for dialogue and interaction with shareholders. The Board is committed to provide shareholders with comprehensive, timely information about the Group's activities and performance to enable easy investment decisions for the shareholders and investors.

Shareholders are notified of the meeting and provided with a copy of the Notice of AGM and Annual Report 28 days before the meeting. At each AGM, the shareholders are encouraged to take this opportunity to ask questions about the resolutions being proposed during the meeting and also the progress, performance and future prospects of the Company. The Chairman and Board members, with the assistance of the External Auditors are available to respond and provide explanations during the question and answer session.

In line with the revised AMLR of Bursa Securities, all resolutions put to the general meeting for the 23rd AGM was voted by poll. An independent scrutineer was appointed to validate the votes casted at the AGM. The decision for each resolution and the name of the independent scrutineer were announced on Bursa Securities on the same day.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Group are responsible for the preparation of the Group and of the Company's financial statements to ensure a true and fair view is presented in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.In ensuring the preparation of these financial statements, the Directors have observed the following criteria:

i. Overseeing the overall conduct of the Company's business and that of the Group;
ii. Identifying principal risks and ensuring that an appropriate system of internal control exists to manage these risks;
iii. Reviewing the adequacy and integrity of Internal Controls System and Management Information System in the Company and within the Group;
iv. Adopting suitable accounting policies and apply them consistently;
v. Making judgments and estimates that are reasonable and prudent; and
vi. Ensuring compliance with application Approved Accounting Standards in Malaysia.

The Directors are responsible for ensuring that proper accounting and other records which are closed with reasonable accuracy at any time the financial position of the Group and ensuring that the financial statements comply with the AMLR, the provisions of the Companies Act 2016 and applicable Approved Accounting Standards in Malaysia.

The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Group and to minimize fraud and other irregularities.

The Directors are satisfied that in preparing the financial statements of the Group for the FYE2023, the Group has used the appropriate accounting policies and applied them consistently and supported by reasonable and prudent judgments and estimates. The Directors also consider that all applicable approved accounting standards have been complied with and further confirm that the financial statements have been prepared on a going concern basis.

Corporate Governance Overview Statement (cont'd)

COMPLIANCE STATEMENT

The Board has deliberated, reviewed and approved this Corporate Governance Overview Statement. The Board considered that the Corporate Governance Overview Statement provides the information necessary to enable shareholders of the Group to evaluate how the principles and best practices as set out in the MCCG have been complied with. The Board shall remain committed to attaining the highest possible standards through the continuous adoption of the principles and best practices of the MCCG and all other applicable laws and regulations.

This Corporate Governance Overview Statement was approved by the Board of Directors of SCC on 5 April 2024.

Audit Committee Report

The primary objective of the Audit Committee is to assist and support the Board in fulfilling its fiduciary responsibilities to ensure strong corporate governance. The Committee is responsible for assessing the risk and control environment, overseeing financial reporting and evaluating the management and audit process within the Group.

COMPOSITION AND MEETINGS

The Audit Committee ("AC") comprises four (4) members, three of them are Independent Non-Executive Director and one (1) non-independent non-executive director. Mr. Tan Tian Wooi is a member of the Malaysian Institute of Accountants. Mr. Tan Tian Wooi meets the requirements of Paragraph 15.09(1)(c)(i) of AMLR in that he is a Chartered Accountant and a member of the Malaysian Institute of Accountants.

At the end of FYE2023, the members of the AC are:

Name	Designation	Directorship
Tan Tian Wooi	Chairman	Independent Non-Executive Director
Datuk Wira Dr. Goy Hong Boon	Member	Non-Independent Non-Executive Director
Puar Chin Jong	Member	Independent Non-Executive Director
Lew Yen Peng	Member	Independent Non-Executive Director

Meetings

During the financial year under review, the Committee convened five (5) meetings and the records of attendance are shown below.

The meetings are pre-structured through the use of agendas, which were distributed to members prior to the meetings.

The Managing Director, the Executive Directors, Assistant Finance Manager, General Manager, Internal Auditors and External Auditors were present as and when invited.

The AC also met the External Auditors in one (1) private session without the presence of Management to discuss audit related matters that the Auditors wish to raise directly to the Committee.

The Company Secretary who is also the secretary to the AC has attended all the meetings.

Details of attendance are listed below:

Name	Attendance
Tan Tian Wooi (Chairman) (Redesignated as Chairman on 26 May 2023)	4/5
Dato' Ismail bin Hamzah (Chairman) (Retired 26 May 2023)	3/3
Datuk Wira Dr. Goy Hong Boon	5/5
Puar Chin Jong (Appointed 26 May 2023)	2/2
Lew Yen Peng (Appointed 26 May 2023)	2/2

Terms of Reference

The details of the terms of reference of the AC are available for reference at www.sccholdings.com.my.

Audit Committee Report (cont'd)

SUMMARY OF ACTIVITIES

The AC carried out its duties in accordance with the Terms of Reference during the financial year with the key responsibilities listed as below:-

Financial Reporting

a. Reviewed the quarterly unaudited financial results of the Company and Group before recommending to the Board for consideration and approval.

b. Reviewed the audited financial statements of the Company and Group prior to submission to the Board for consideration and approval.

c. Reviewed a Report and Statement on Risk Management and Internal Control for the Group Annual Report prior to submission to the Board for consideration and approval.

d. Ensured that the financial statements were drawn up in accordance with the provisions of the Companies Act 2016 and the applicable approved accounting standards by confirming with the Management.

External Audit

e. Evaluated the technical competencies, adequacy of specialist support and partners/directors accessibility and time commitment.

f. Ascertained the independence of the external auditor with the auditors and confirmed their independence status before conducting the audit.

g. Reviewed the external auditors' Audit Planning Memorandum.

h. Reviewed the external auditors' audit findings, including the recommendations and management's response.

i. Met with the external auditors one (1) time without the presence of the Executive Directors and the Management to discuss matters that need to be highlighted to the AC.

j. Evaluated auditor's performance and recommendations for re-appointment in AGM.

Internal Audit

k. Reviewed with the Internal Auditor, the internal audit plans, the internal audit reports, their evaluation of system of internal controls and the follow-up on the audit findings.

l. Reviewed the adequacy of the scope and coverage of work and instructed specific audit area to be performed when needs arise.

m. Received and discussed the internal audit reports after the conclusion of every internal audit being carried out.

Related Party Transactions

n. Reviewed related party transactions within the Group on a quarterly basis.

Others

o. Reviewed the AC Report and Statement on Risk Management and Internal Control prior to the submission of the said documents to the Board for consideration and approval so as to be included in the Annual Report for financial year ended 31 December 2023.

INTERNAL AUDIT FUNCTION

The Company engaged Messrs. CGRM Infocomm Sdn Bhd ("CGRM") as outsourced Internal Auditors to carry out the internal audit function of the Company and its subsidiaries ("Group") for the FYE2023.

The Internal Auditor reports directly to the AC on a half-yearly basis by presenting its Internal Audit Reports during the AC meetings, whereby relevant issues identified in the Internal Audit Reports will be discussed with the Management in the meeting. Rectification work, if necessary, will be performed and follow-up will be carried out by Internal Auditor for the purpose of reporting at the subsequent AC meeting. The Internal Auditor will also table its internal audit plan to the AC prior to audit works for the next financial year.

On 24 February 2023, CGRM tabled a report for AC's review covering the Purchasing Management (AHPD) and Goods Delivery Service Management (AHPD) on December 2022 and followed up on issues highlighted in Internal Audit Report issued in November 2022 on Sales Processing Management and Production Planning Management of SCC Food Manufacturing Sdn. Bhd.

On 26 May 2023, CGRM tabled a report for AC's review in respect of Human Resources Management of SCC Holdings Berhad's Group in April 2023 and followed up on issues highlighted in Internal Audit Report issued in February 2023 Purchasing Management (AHPD) and Goods Delivery Service Management (AHPD) on December 2022.

On 24 November 2023, CGRM tabled a report on followed up issues highlighted in Internal Audit Report issued in May 2023 on Human Resources Management of SCC Holdings Berhad's Group in April 2023.

The reports outlined the audit objective, scope of work, timeline, summary of tests and results, summary of effective controls, summary list of finding, detail findings together with the Internal Auditors' recommendations and the Management's responses.

The cost incurred for the outsourced independent internal audit services in respect of the FYE2023 was RM33,920.00 (FYE 2022 – RM42,400.00).

Additional Compliance Information

The following is presented in compliance with the Bursa Securities AMLR:

1. AUDIT AND NON-AUDIT FEES

The fees payable to the External Auditors in relation to the audit and non-audit services rendered to the Company and the subsidiaries ("Group") for the FYE2023 are as follows:

	Company (RM)	Group (RM)
Audit services rendered - Statutory Audit	17,500	65,000
Non-audit services rendered - Review of Risk Management and Internal Control Statement - Review of Expected Credit Loss in compliance to MFRS 9	5,000 3,000	5,000 3,000

2. MATERIAL CONTRACTS INVOLVING DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

There was no material contract entered into by the Company and/or its subsidiaries involving Directors and Substantial Shareholders' interests for the FYE2023.

3. CONTRACTS RELATING TO LOAN BY THE COMPANY

There were no contracts relating to loans entered by the Group during the FYE 2023 involving Directors, Chief Executive Officer and Substantial shareholders.

Statement on Risk Management and Internal Control

The Statement on Risk Management and Internal Control by the Board on the SCC is made pursuant to Rule 15.26(b) of the AMLR of Bursa Malaysia Securities Berhad ("Bursa Securities") and in accordance with the Principles and Recommendations relating to risk management and internal controls provided in the MCCG 2021 under Practice 9.1 and 9.2.

MCCG 2021 sets out the principles that the board of directors of a listed company should establish a sound risk management framework and internal controls system to safeguard shareholders' investment, stakeholders' interest and assets of the Group.

BOARD RESPONSIBILITIES

The Board acknowledges its responsibility to observe the MCCG 2021 in maintaining a sound system of risk management and internal control throughout the operations of the Group in order to safeguard shareholders' investments, stakeholders' interest and the assets of the Group.

The Board is responsible for identifying, evaluating and managing the significant risk of the Group, as well as reviewing adequacy and effectiveness of the risk management and internal control on an ongoing basis.

The Board believes the risk management and internal control system are adequate and effective to manage the risk of the Group. Nevertheless, due to the inherent limitations of any system, such systems are designed to mitigate rather than eliminate the likelihood of fraud and error. In addition, it should be noted that any system can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board has received assurance from the Group Managing Director that the Group's risk management and internal control system operate adequately and effectively, in all material aspects, based on the risk management and internal control system.

RISK MANAGEMENT

The Board reviews internal control issues identified by the management and the internal auditors, as well as evaluates the adequacy and effectiveness of the Group's risk management and internal control system.

A RMC comprises the Managing Director, three (3) Executive Directors and all management staffs. The responsibilities of RMC include assisting in the development of risk management framework, policies, processes and procedures; maintaining the risk register for the Group; monitoring operating unit's compliance with Group's policies and procedures; monitoring and reporting the key risks as identified by the Management.

The RMC meetings are consolidated with bi-monthly management meeting since all the RMC members attended the management meetings.

Risk Management matters were being discussed with attending Heads of Business Divisions ("HODs") during the bi-monthly management meetings on the current and possible future issues that might affect the business of the Group and tasks had been assigned to relevant personnel to follow up.

Special ad-hoc RMC meeting will be called should there be any urgent matters arises.

The responsibility of day-to-day risk management resides with the HOD of each division/department where they are the risk owners and are accountable for the risks identified and assessed.

In managing the risks of the Group, Management team works closely with the RMC to ascertain that there is on-going monitoring and reviewing of risks and related controls and that action plans are developed and implemented to manage these risks.

Minutes of the meetings are recorded while progress and outcomes are being closely monitored by the RMC. Activities of the RMC are also being highlighted during Board meetings.

Statement on Risk Management and Internal Control (cont’d)

RISK MANAGEMENT (CONT'D)

Risk identification and assessment

Risks identified are assessed to determine their impact on the relevant business strategies / objectives and their likelihood of occurrence. The outcome of the risk assessment process at respective functional or business unit levels will then be consolidated at the Group level in a risk scorecard which enables divisions/departments/subsidiaries within the Group to report risks and risk status via a common platform.

A Risk Profile and Action Plan, which registered the nature and extent of risks the divisions/departments/subsidiaries and the Group is willing to accept or retain to achieve its goals and objectives, are reviewed by the RMC from time to time.

KEY ELEMENTS OF THE INTERNAL CONTROL SYSTEM

Internal controls are embedded in the Group's operations as follows:

Organisational Structure

The Group has in place an organisational structure with clearly defined lines of responsibilities and functionalities which promotes appropriate levels of accountability for risk management, control procedures and effectiveness of operations. All new employees are required to undergo an orientation program and the job function is clearly written for transparency and better accountability.

Board and Management Meetings

Strategic planning and detailed target setting for each area of business are established during the year end.

Business unit conducted their monthly departmental meeting discussing departmental progress and planning for the future including any departmental risk management matters.

The management will meet on a bi-monthly basis to monitor the Company's actual results against targeted and previous year’s results, whereby significant variances are being investigated and management action is being taken, where necessary, as well as to obtain feedbacks on daily operational issues.

The Board meets on a quarterly basis to review agendas which amongst others include periodically internal audit reports.

Performance Management Framework

Management reports are generated monthly basis and quarterly report to the Board to allow the Board and the Group’s management to monitor the performance of its respective business units. The Group’s management information system is designed to provide the management with better reporting and review encompasses financial and non-financial matters for compliance and daily operational use.

Limits of Authority

The level of authorities and lines of responsibilities from business divisions up to the Board level are well-defined to ensure accountabilities and responsibilities for risk management and control activities.

Operational policies and procedures

The Group's policies and procedures form an integral part of the internal control system to safeguard the Group's assets against material losses and to ensure that the daily operations are running smoothly. Regular reviews are performed to maximise operational efficiency.

Operation control procedures have been established in accordance to ISO 9001 standard. This is to ensure that the business processes flow is being executed as per best practices recommended by the standard.

AUDIT COMMITTEE AND INTERNAL AUDIT

The Company adopts a risk-based approach to the implementation and monitoring of relevant internal controls. The Audit Committee is entrusted by the Board to ensure that an effective and adequate internal control system is in place at all times. To assist the Audit Committee in discharging its duties and responsibilities, the internal audit function is outsourced to an independent professional service firm to take charge of the Group's internal audit function during the financial year. The reports are submitted to the Audit Committee, who reviews the findings with Management at the Audit Committee Meeting. In assessing the adequacy and effectiveness of the system of internal controls of the Group, the Audit Committee reports to the Board its activities, significant results, findings and the necessary recommendations or changes.

There were two (2) internal audits being conducted during the year and recommended improvements were implemented on advice of the internal auditor with the approval of the Audit Committee.

During the financial year under review, the Board was satisfied that there were continuous efforts by the Management to address and resolve areas with control weaknesses and that the control procedures were in place and were being followed.

WEAKNESSES IN INTERNAL CONTROL

There were no major weaknesses in internal control which resulted in material losses during the financial year under review.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the AMLR, this Statement has been reviewed by the External Auditors for inclusion in the Annual Report of the Group for the FYE2023. The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of risk management and internal control.

CONCLUSION

The Board is of the view that the Group's system of risk management and internal control is sound and adequate in all material aspects, and has received the same assurance from the Managing Director of the Group. The Board ensures that the risk management process in identifying, evaluating and managing significant risks is operating adequately and effectively throughout the financial year up to the date of approval of this Statement. However, the Board is also mindful of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board and the Management maintain an on-going commitment to continue taking appropriate measures to enhance and strengthen the risk management and internal control of the Group.

This Statement was approved by the Board on 5 April 2024.

Statement of Directors' Responsibility
For the Audited Financial Statements

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which have been made out in accordance with applicable approved accounting standards and to give a true and fair view of the state of affairs of the Group and the Company at the financial year end and of the results and cash flows of the Group and Company for the financial year.

In preparing the financial statements, the Directors have carried out their responsibilities by:

- adopting suitable accounting policies and applied them consistently;
- making judgements and estimates that are reasonable and prudent;
- ensuring that all applicable accounting standards have been complied with; and
- preparing financial statements on a going concern basis, as the Board has reasonable expectations, having made enquiries, that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and Company and which enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors have the overall responsibility of taking such steps as are reasonably available to them to safeguard the assets of the Group, to prevent and detect fraud and other irregularities.

FINANCIAL STATEMENTS AND REPORTS

Directors' Report

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 7.

There have been no significant changes in the nature of these activities during the financial year.

Financial Results

	Group RM'000	Company RM'000
Net profit for the financial year attributable to owners of the parent	1,660	1,392

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

Dividends

Since the end of the last financial year, the Company paid:

	RM'000
An interim single-tier dividend of RM0.01 per ordinary share in respect of the financial year ended 31 December 2022 paid on 24 March 2023	1,412

The Board of Directors does not recommend any dividend in respect of the current financial year.

Issue of Shares and Debentures

There was no issuance of shares and debentures during the financial year.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Directors

The Directors in office during the financial year until the date of this report are:

Chee Long Sing @ Cher Hwee Seng*	
Cher Sew Seng*	
Cher Lip Chun*	
Datuk Wira Dr. Goy Hong Boon	
Cher Chou Chiang (alternate director to Cher Sew Seng)	
Tan Tian Wooi	
Puar Chin Jong	(appointed on 26 May 2023)
Lew Yen Peng	(appointed on 26 May 2023)
Cher Lip Ter	(appointed on 1 March 2024)
Dato' Ismail bin Hamzah	(resigned on 26 May 2023)

** Director of the Company and its subsidiary companies*

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

Directors' Interests in Shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2023	Bought	Sold	At 31.12.2023
Interests in the Company				
Direct interests:				
Chee Long Sing @ Cher Hwee Seng	30,686,784	-	-	30,686,784
Cher Sew Seng	19,397,847	-	-	19,397,847
Cher Lip Chun	1,024,802	-	-	1,024,802
Cher Chou Chiang	740,000	-	-	740,000
Indirect interests:				
Chee Long Sing @ Cher Hwee Seng #	805,249	-	-	805,249
Cher Sew Seng *	1,482,500	-	-	1,482,500
Cher Lip Chun ^	66,000	-	-	66,000

Deemed interest by virtue of his direct shareholdings in Kumsan Enterprise (M) Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 in Malaysia and by virtue of his spouse's and child's direct shareholding in the Company.
* *Deemed interest by virtue of his spouse's and children's direct shareholdings in the Company.*
^ *Deemed interest by virtue of his spouse's direct shareholdings in the Company.*

By virtue of his interests in the shares of the Company, Chee Long Sing @ Cher Hwee Seng is deemed interested in the shares of all the subsidiary companies during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act 2016 in Malaysia.

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Directors' Report (cont'd)

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The details of the Directors' remuneration for the financial year ended 31 December 2023 are set out below:

	Group RM'000	Company RM'000
Salaries, wages and other emolument	1,303	1,303
Fees	86	86
Defined contribution plans	72	72
Benefits-in-kind	36	36
	1,497	1,497

Neither during nor at the end of the financial year, was the Group or the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Indemnity and Insurance Costs

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Company were RM6,320,000 and RM5,825 respectively.

There was no indemnity given to or insurance effected for auditors of the Company in accordance with Section 289 of the Companies Act 2016 in Malaysia.

Other Statutory Information

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

   (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
   (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

   (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
   (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
   (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
   (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

Other Statutory Information (cont'd)

(c) At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(d) In the opinion of the Directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due;
(ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
(iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 7.

Auditors' Remuneration

The auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2023 are as follows:

	Group RM'000	Company RM'000
Auditors' remuneration		
- statutory audit	65	18
- other services	8	8
	73	26

Auditors

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 12 April 2024.

CHEE LONG SING @ CHER HWEE SENG

CHER LIP CHUN

KUALA LUMPUR

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016 in Malaysia

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 45 to 99 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and their cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 12 April 2024.

CHEE LONG SING @ CHER HWEE SENG

CHER LIP CHUN

KUALA LUMPUR

Statutory Declaration

Pursuant to Section 251(1) of the Companies Act 2016 in Malaysia

I, Wong Pow Yee (MIA Membership No: 20702), being the Officer primarily responsible for the financial management of SCC Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 45 to 99 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in the)
Federal Territory on 12 April 2024)

WONG POW YEE

Before me,

COMMISSIONER FOR OATHS

Independent Auditors' Report

To the Members of SCC Holdings Berhad
Registration No: 200001008871 (511477-A)
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of SCC Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policies information, as set out on pages 45 to 99.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws")* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Impairment of trade receivables	
The Group has material credit exposures in its trade receivables amounting to RM13.443 million as at 31 December 2023.	We obtained and evaluated the Group's credit risk policy, and tested the processes used by management to assess credit exposures.
The assessment of recoverability of receivables involved judgements and estimation uncertainty in analysing historical bad debts, customer concentration, customer creditworthiness and customer payment terms.	We have reviewed the adequacy of the impairment loss, assessed and enquired management on the recoverability of trade receivables by checking past payment trend and assessing the receipts during the financial year and subsequent to year end collections.
	We have reviewed the appropriateness of the disclosures made in the financial statements.

Independent Auditors' Report (cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (cont'd)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary company of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

Independent Auditors' Report (cont'd)

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY
Firm Number: AF 1411
Chartered Accountants

LIM BEE PENG
Approved Number: 03307/06/2025 J
Chartered Accountant

KUALA LUMPUR

12 April 2024

Statements of Financial Position

As at 31 December 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	5,287	5,467	-	-
Investment properties	5	566	584	-	-
Right-of-use assets	6	596	718	-	-
Investments in subsidiary companies	7	-	-	15,843	16,343
Goodwill on consolidation	8	-	8	-	-
Investment securities	9	75	69	-	-
		6,524	6,846	15,843	16,343
Current Assets					
Inventories	10	16,823	18,289	-	-
Trade receivables	11	13,443	12,447	-	-
Other receivables	12	1,503	2,551	2	2
Amount due from subsidiary companies	13	-	-	11,559	11,965
Tax recoverable		1,691	1,023	289	273
Other investments	14	7,628	6,089	3,008	3,633
Cash and bank balances		6,389	7,634	1,628	135
		47,477	48,033	16,486	16,008
Total Assets		54,001	54,879	32,329	32,351
EQUITY					
Share capital	15	24,079	24,079	24,079	24,079
Reserves	16	23,539	23,315	8,193	8,213
Total Equity		47,618	47,394	32,272	32,292
LIABILITIES					
Non-Current Liabilities					
Lease liabilities	17	337	476	-	-
Deferred tax liabilities	18	103	97	-	-
		440	573	-	-
Current Liabilities					
Trade payables	19	3,735	3,977	-	-
Other payables	20	1,897	2,531	57	59
Lease liabilities	17	310	279	-	-
Tax payables		1	125	-	-
		5,943	6,912	57	59
Total Liabilities		6,383	7,485	57	59
Total Equity and Liabilities		54,001	54,879	32,329	32,351

The accompanying notes form an integral part of the financial statements.

Statements of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 31 December 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	21	55,357	63,917	5,392	8,248
Cost of sales		(40,134)	(45,333)	-	-
Gross profit		15,223	18,584	5,392	8,248
Other income		897	776	127	68
Selling and distribution expenses		(3,459)	(3,702)	(43)	(41)
Administrative expenses		(10,081)	(11,060)	(4,071)	(4,031)
Net impairment gain/(loss) on trade receivables	23	158	(166)	-	-
Finance costs	22	(58)	(69)	-	-
Profit before taxation	23	2,680	4,363	1,405	4,244
Taxation	24	(1,020)	(1,809)	(13)	(3)
Profit for the financial year		1,660	2,554	1,392	4,241
Other comprehensive income:					
Items that are or may be reclassified subsequently to profit or loss					
- Exchange translation differences for foreign operations		(30)	(32)	-	-
Items that are not reclassified subsequently to profit or loss					
- Fair value gain of fair value through other comprehensive income		6	8	-	-
Other comprehensive loss for the financial year		(24)	(24)	-	-
Total comprehensive income for the financial year		1,636	2,530	1,392	4,241
Net profit for the financial year attributable to:					
Owners of the Company		1,660	2,554	1,392	4,241
Total comprehensive income attributable to:					
Owners of the Company		1,636	2,530	1,392	4,241
Earnings per share (sen):					
- Basic	25	1.18	1.81		
- Diluted	25	1.18	1.81		

The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity
For the Financial Year Ended 31 December 2023

Group	Note	Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Fair value Reserve RM'000	Retained Earnings RM'000	Total RM'000
		Attributable to Owners of the Parent				
		Non-Distributable			Distributable	
At 1 January 2023		24,079	(28)	59	23,284	47,394
Net profit for the financial year		-	-	-	1,660	1,660
Other comprehensive (loss)/ income for the financial year		-	(30)	6	-	(24)
Total comprehensive income for the financial year		-	(30)	6	1,660	1,636
Transaction with owners:						
Dividends paid	26	-	-	-	(1,412)	(1,412)
At 31 December 2023		24,079	(58)	65	23,532	47,618
At January 2022		24,079	4	51	22,142	46,276
Net profit for the financial year		-	-	-	2,554	2,554
Other comprehensive (loss)/ income for the financial year		-	(32)	8	-	(24)
Total comprehensive income for the financial year		-	(32)	8	2,554	2,530
Transaction with owners:						
Dividends paid	26	-	-	-	(1,412)	(1,412)
At 31 December 2022		24,079	(28)	59	23,284	47,394

Statements of Changes in Equity (cont'd)

	Note	Share Capital RM'000	Distributable Retained Earnings RM'000	Total RM'000
Company				
At 1 January 2023		24,079	8,213	32,292
Net profit for the financial year, representing total comprehensive income for the financial year		-	1,392	1,392
Transaction with owners:				
Dividend paid	26	-	(1,412)	(1,412)
At 31 December 2023		24,079	8,193	32,272
At 1 January 2022		24,079	5,384	29,463
Net profit for the financial year, representing total comprehensive income for the financial year		-	4,241	4,241
Transaction with owners:				
Dividend paid	26	-	(1,412)	(1,412)
At 31 December 2022		24,079	8,213	32,292

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

For the Financial Year Ended 31 December 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash Flows From Operating Activities				
Profit before taxation	2,680	4,363	1,405	4,244
Adjustments for:				
Amortisation of right-of-use assets	360	343	-	-
Depreciation of property, plant and equipment	582	547	-	-
Depreciation of investment properties	18	19	-	-
Bad debts written off	9	16	-	-
Dividend income	(1)	(1)	(1,600)	(4,660)
Fair value gain of financial assets	(256)	(233)	(104)	(52)
Goodwill written off	8	-	-	-
Impairment loss on investment in subsidiary company	-	-	500	-
Impairment loss on trade receivables	26	184	-	-
Reversal of impairment loss on trade receivables	(184)	(18)	-	-
Interest expense	58	69	-	-
Property, plant and equipment written off	6	1	-	-
Interest income	(119)	(87)	(17)	(7)
Gain on termination of lease contracts	(1)	(22)	-	-
Gain on disposal of property, plant and equipment	-	(57)	-	-
Inventories written off	-	5	-	-
Reversal of inventories written down	-	(205)	-	-
Unrealised gain on foreign exchange	(266)	(79)	-	(5)
Operating profit/(loss) before working capital changes	2,920	4,845	184	(480)
Changes in working capital:				
Inventories	1,466	(9,091)	-	-
Trade receivables	(847)	(396)	-	-
Other receivables	1,062	(1,071)	-	3
Trade payables	(242)	(486)	-	-
Other payables	(634)	864	(2)	2
	805	(10,180)	(2)	5
Cash generated from/(used in) operations	3,725	(5,335)	182	(475)
Interest paid	(58)	(69)	-	-
Tax refund	39	-	16	-
Tax paid	(1,859)	(1,892)	(45)	(110)
	(1,878)	(1,961)	(29)	(110)
Net cash generated from/(used in) operating activities	1,847	(7,296)	153	(585)

Statements of Cash Flows (cont'd)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash Flows From Investing Activities				
Dividend received	1	1	1,600	4,660
Interest received	119	87	17	7
Purchase of property, plant and equipment	(408)	(697)	-	-
Net changes in other investments	(1,283)	10,400	729	(800)
Proceeds from disposal of property, plant and equipment	-	128	-	-
Net changes in amount due from subsidiary companies	-	-	406	(2,378)
Net cash (used in)/generated from investing activities	(1,571)	9,919	2,752	1,489
Cash Flows From Financing Activities				
Dividend paid	(1,412)	(1,412)	(1,412)	(1,412)
Repayment of lease liabilities	(345)	(312)	-	-
Net cash used in financing activities	(1,757)	(1,724)	(1,412)	(1,412)
Net changes in cash and cash equivalents	(1,481)	899	1,493	(508)
Cash and cash equivalents at beginning of the financial year	7,634	6,690	135	643
Effect of exchange translation differences on cash and cash equivalent	236	45	-	-
Cash and cash equivalents at end of the financial year	6,389	7,634	1,628	135
Cash and cash equivalents at the end of the financial year comprises:				
Cash and bank balances	6,389	7,634	1,628	135

Note to statement of cash flows - Cash flows for leases as a lessee

		Group	
	Note	2023 RM'000	2022 RM'000
Included in operating activities:			
Interest paid in relation to lease liabilities	22	57	69
Payment relating to short-term leases	23	378	366
Included in financing activities:			
Payment of lease liabilities		345	312
Total cash outflows for leases		780	747

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements
31 December 2023

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of the Bursa Malaysia Securities Berhad.

The principal place of business of the Company is located at 19-21, Jalan Hujan, Taman Overseas Union, 5th Miles, Jalan Kelang Lama, 58200 Kuala Lumpur.

The registered office of the Company is located at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur.

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are disclosed in Note 7. There have been no significant changes in the nature of these activities during the financial year.

2. Basis of Preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policies below.

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following new and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules

The adoption of the above new and amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

2. Basis of Preparation (cont'd)

(a) Statement of compliance (cont'd)

Standards issued but not yet effective

The Group and the Company have not applied the following amendments to MFRSs issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	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 and the Company intend to adopt the amendments to MFRSs, if applicable, when they become effective.

The initial application of amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is rounded to the nearest thousand ("RM'000"), unless otherwise stated.

(c) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

Note 7	-	Impairment of investment in subsidiary companies
Note 8	-	Impairment of goodwill on consolidation
Note 10	-	Inventories valuation
Note 17(b)	-	Determining the lease term of contracts with renewal and termination options
Note 31(b)(i)	-	Provision for expected credit loss of financial assets at amortised cost
Note 31(c)	-	Fair value of financial instruments

3. Material Accounting Policies

Changes in material accounting policies

Deferred tax related to assets and liabilities arising from a single transaction

The Group has adopted Amendments to MFRS 112, Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences - e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur after the beginning of the earliest period presented. The Group previously accounted for deferred tax on leases and decommissioning liabilities applying the 'integrally linked' approach, resulting in a similar outcome to the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of MFRS 112. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised refer to Note 18.

Global minimum top-up tax

The Amendments to MFRS 112, Income Taxes - International Tax Reform - Pillar Two Model Rules provide a temporary mandatory exception from deferred tax accounting for the top-up tax that may arise from the jurisdictional adoption of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD"), and require new disclosures about the Pillar Two tax exposure.

The mandatory exception is effective immediately and applies retrospectively. However, because no new legislation to implement the top-up tax was enacted or substantively enacted at 31 December 2022 in any jurisdiction in which the Group operates and no related deferred taxes were recognised at that date, the retrospective application has no impact on the Group's consolidated financial statements.

Material accounting policy information

The Group adopted Amendments to MFRS 101, Presentation of Financial Statements - Disclosure of Accounting Policies for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Material Accounting Policies (2022: Significant Accounting Policies) in certain instances in line with the amendments.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained above, which addresses changes in material accounting policies.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

3. Material Accounting Policies (cont'd)

(a) Basis of consolidation (cont'd)

(i) Subsidiary companies (cont'd)

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instruments and within the scope of MFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(j)(i) on impairment of non-financial assets.

(ii) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(j)(i) on impairment of non-financial assets.

3. Material Accounting Policies (cont'd)

(b) Foreign currency translation

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the reporting date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2012 (the date of transition to MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly owned subsidiary company, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related that foreign operations reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

The income and expenses of the Group's foreign operations in Cambodia are translated to RM at exchange rates at the end of the reporting period.

3. Material Accounting Policies (cont'd)

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(j)(i).

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

(ii) Depreciation

Depreciation is recognised in the profit or loss on straight line basis to write off the cost of each asset to its residual value over its estimated useful life. Freehold land is not depreciated.

Property, plant and equipment are depreciated based on the principal annual rates as follows:

Freehold buildings	2% - 3%
Office equipment, furniture and fittings	5% - 10%
Machinery	10%
Motor vehicles	20%
Renovation	10%

(d) Leases

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Buildings	Over the lease term
Shoplots	Over the lease term

The ROU assets are subject to impairment.

The Group has elected not to recognise right-of-use ("ROU") assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

3. Material Accounting Policies (cont'd)

(e) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Freehold land is not depreciated. Investment properties are depreciated on a straight-line method to write down the cost of asset to their residual values over their estimated useful lives. The principal annual depreciation rates are:

Freehold buildings	2% - 3%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(j)(i) on impairment of non-financial assets.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. Upon disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(f) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group or the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include trade receivables, other receivables and amount due from subsidiary companies and cash and bank balances.

(i) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

3. Material Accounting Policies (cont'd)

(f) Financial assets (cont'd)

(ii) Fair value through other comprehensive income

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in OCI on an investment-by-investment basis.

Financial assets categorised as FVOCI are subsequently measured at fair value, with unrealised gains and losses recognised directly in OCI and accumulated under fair value reserve in equity. For debt instruments, when the investment is derecognised or determined to be impaired, the cumulative gain or loss previously recorded in equity is reclassified to the profit or loss. For equity instruments, the gains or losses are never reclassified to profit or loss.

(iii) Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVOCI, as described above, are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

All financial assets, except for those measured at FVTPL and equity investments measured at FVOCI, are subject to impairment.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

(g) Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company becomes a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3. Material Accounting Policies (cont'd)

(h) Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of:

- the best estimate of the expenditure required to settle the present obligation at the reporting date; and
- the amount initially recognised less cumulative amortisation

Liabilities arising from financial guarantees are presented together with other provisions.

(i) Inventories

Finished goods are stated at the lower of cost and net realisable value.

Cost of finished goods comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

3. Material Accounting Policies (cont'd)

(j) Impairment of assets (cont'd)

(i) Non-financial assets (cont'd)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables, other receivables and inter-company balances, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(k) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

3. Material Accounting Policies (cont'd)

(l) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(m) Revenue recognition

Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognises revenue from the following major sources:

(i) Sale of goods

Revenue from sale of goods is recognised when control of the products has transferred, being the products are delivered to the customer.

Revenue is recognised based on the price specified in the contract, net of the rebates, discounts and taxes.

(ii) Management fee

Management fee is recognised on accrual basis when services are rendered.

Revenue from other sources

(i) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(ii) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

3. Material Accounting Policies (cont'd)

(m) Revenue recognition (cont'd)

Revenue from other sources (cont'd)

(iii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(n) Income tax

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(o) Fair value measurement

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer of the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

3. Material Accounting Policies (cont'd)

(o) Fair value measurement (cont'd)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. Property, Plant and Equipment

Group	Freehold land and buildings RM'000	Office equipment, furniture and fittings RM'000	Machinery RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
2023						
Cost						
At 1 January	4,136	2,347	1,684	1,439	2,082	11,688
Additions	-	74	334	-	-	408
Written off	-	(38)	-	-	-	(38)
At 31 December	4,136	2,383	2,018	1,439	2,082	12,058
Accumulated depreciation						
At 1 January	911	1,720	1,205	1,279	1,106	6,221
Charge for the financial year	83	118	138	41	202	582
Written off	-	(32)	-	-	-	(32)
At 31 December	994	1,806	1,343	1,320	1,308	6,771
Carrying amount						
At 31 December	3,142	577	675	119	774	5,287

4. **Property, Plant and Equipment (cont'd)**

Group	Freehold land and buildings RM'000	Office equipment, furniture and fittings RM'000	Machinery RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
2022						
Cost						
At 1 January	4,136	2,336	1,671	1,655	1,631	11,429
Additions	-	83	13	150	451	697
Disposals	-	-	-	(366)	-	(366)
Written off	-	(72)	-	-	-	(72)
At 31 December	4,136	2,347	1,684	1,439	2,082	11,688
Accumulated depreciation						
At 1 January	828	1,671	1,085	1,522	934	6,040
Charge for the financial year	83	120	120	52	172	547
Disposals	-	-	-	(295)	-	(295)
Written off	-	(71)	-	-	-	(71)
At 31 December	911	1,720	1,205	1,279	1,106	6,221
Carrying amount						
At 31 December	3,225	627	479	160	976	5,467

Notes to the Financial Statements (cont'd)

4. Property, Plant and Equipment (cont'd)

Assets pledged as securities to a licensed bank

The carrying amount of property, plant and equipment of the Group pledged to a licensed bank to secure the credit facilities granted to the subsidiary companies are:

	Group	
	2023 RM'000	2022 RM'000
Freehold land and buildings	1,480	1,525

There are no utilisation of credit facilities as at 31 December 2023.

5. Investment Properties

	Group	
	2023 RM'000	2022 RM'000
Freehold buildings		
At cost		
At 1 January/31 December	882	882
Accumulated depreciation		
At 1 January	298	279
Charge for the financial year	18	19
At 31 December	316	298
Carrying amount		
At 31 December	566	584
Fair value of investment properties		
At 31 December	3,200	2,800

(a) Investment properties pledged as securities to a licensed bank

The carrying amount of the investment properties of the Group pledged to a licensed bank to secure the credit facilities granted to the subsidiary companies are:

	Group	
	2023 RM'000	2022 RM'000
Freehold buildings	291	300

5. Investment Properties (cont'd)

(b) Income and expenses recognised in profit or loss

The following are recognised in profit and loss in respect of the investment properties:

	Group	
	2023 RM'000	2022 RM'000
Rental income	189	166
Direct operating expenses	70	39

(c) Fair value basis of investment properties

Fair value of investment properties was estimated by the Directors based on internal appraisal of market values of comparable properties. The fair values are within Level 2 or Level 3 of the fair value hierarchy. The fair values have been derived using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square feet of comparable property.

There were no transfers between levels during current and previous financial years.

6. Right-of use Assets

	Buildings RM'000	Shoplots RM'000	Total RM'000
Group			
2023			
Cost			
At 1 January	376	667	1,043
Additions	-	255	255
Termination of lease contracts	-	(65)	(65)
Expiration of lease contracts	(125)	-	(125)
Exchange differences	7	-	7
At 31 December	258	857	1,115
Accumulated amortisation			
At 1 January	159	166	325
Charge for the financial year	176	184	360
Termination of lease contracts	-	(43)	(43)
Expiration of lease contracts	(125)	-	(125)
Exchange differences	-	2	2
At 31 December	210	309	519
Carrying amount			
At 31 December	48	548	596

6. Right-of use Assets (cont'd)

	Buildings RM'000	Shoplots RM'000	Total RM'000
2022			
Cost			
At 1 January	-	1,050	1,050
Additions	376	145	521
Termination of lease contracts	-	(528)	(528)
At 31 December	376	667	1,043
Accumulated amortisation			
At 1 January	-	276	276
Charge for the financial year	159	184	343
Termination of lease contracts	-	(294)	(294)
At 31 December	159	166	325
Carrying amount			
At 31 December	217	501	718

Significant judgements and assumptions in relation to lease

The Group assesses at lease commencement by applying significant judgement, whether it is reasonably certain to exercise the extension and termination options. Group entities consider all facts and circumstances, including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

7. Investments in Subsidiary Companies

	Company	
	2023 RM'000	2022 RM'000
Unquoted shares at cost:		
- In Malaysia	16,300	16,300
- Outside Malaysia	43	43
	16,343	16,343
Less: Accumulated impairment loss	(500)	-
	15,843	16,343

7. Investments in Subsidiary Companies (cont'd)

The movement in the allowance for impairment loss is as follows:

	Company	
	2023 RM'000	2022 RM'000
At 1 January	-	-
Impairment loss recognised	500	-
At 31 December	500	-

The recoverable amount of the Company's investment in SCC Food Manufacturing Sdn. Bhd. estimated based on value-in-use method was Nil. An impairment loss amounting to RM500,000 was recognised during the financial year and as a result, the Company's investment in SCC Food Manufacturing Sdn. Bhd. is fully impaired as at 31 December 2023.

The impairment loss was recognised in other expenses in the statements of profit or loss and other comprehensive income.

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest 2023 %	Effective interest 2022 %	Principal activities
Anitox (M) Sdn. Bhd. ("ASB")	Malaysia	100	100	Selling, marketing and distribution of animal health products.
SCC Food Manufacturing Sdn. Bhd. ("SCCFM")	Malaysia	100	100	Processing and purchasing products.
SCC Corporation Sdn. Bhd. ("SCCC")	Malaysia	100	100	Selling, marketing and distribution of livestock health products and clean feed solutions to feed mills and livestock industries; and selling, marketing and distribution of food service equipment, including provisions of installments, services and supply of ingredients and specialists products for food and beverage industries.
S-Cnergy Co., Ltd ("S-Cnergy")*	Cambodia	100	100	Import and export of kitchen supplies.
Held through SCCC				
Positive Insight Sdn. Bhd. ("PI")	Malaysia	100	100	Selling, marketing and distribution of animal health products.
Knowledge Mission Sdn. Bhd. ("KM")	Malaysia	100	100	Dormant.

** Subsidiary company not audited by UHY*

Notes to the Financial Statements (cont'd)

8. Goodwill on Consolidation

	Group	
	2023 RM'000	2022 RM'000
At 1 January	8	8
Less: Written off	(8)	-
At 31 December	-	8

The goodwill was derived from the acquisition of a wholly-owned subsidiary company, SCC Food Manufacturing Sdn. Bhd. in the previous financial years.

Management determined the recoverable amount of the goodwill on consolidation of each subsidiary company based on the individual assets' value in use and the probability of the realisation of the assets. The present value of the future cash flows to be generated by the asset is the asset's value in use, and it is assumed to be the same as the net worth of the asset as at reporting date. Write off is recognised immediately in the profit or loss if the recoverable amount is less than the carrying amount.

During the financial year, the management determined that the recoverable amounts of goodwill on consolidation on SCC Food Manufacturing Sdn. Bhd. is lower than its carrying amounts. This led to the recognition of RM8,000 written off, which was recognised in the statements of profit or loss and other comprehensive income.

9. Investment Securities

	Group	
	2023 RM'000	2022 RM'000
Fair value through other comprehensive income		
Quoted securities in Malaysia		
- Equity instruments, at fair value	75	69

10. Inventories

	Group	
	2023 RM'000	2022 RM'000
Finished goods:		
Food service equipment	11,862	14,618
Animal health products	4,571	2,984
Food service supplies	188	224
E-commerce stocks	17	13
Raw materials:		
Food service supplies	185	450
	16,823	18,289
Recognised in profit or loss:		
Inventories written off	-	5
Reversal of inventories written down	-	(205)
Inventories recognised as cost of sales	38,899	44,025

10. Inventories (cont'd)

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. No reduction of value of the inventories is required during the year.

11. Trade Receivables

	Group	
	2023 RM'000	2022 RM'000
Trade receivables	13,504	12,675
Less: Accumulated impairment losses	(61)	(228)
	13,443	12,447

The Group's normal credit terms range from 30 to 150 days (2022: 30 to 150 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.

12. Other Receivables

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other receivables	83	57	-	-
Deposits	250	238	2	2
Prepayments	1,139	2,239	-	-
VAT input tax	31	17	-	-
	1,503	2,551	2	2

13. Amount due from Subsidiary Companies

The non-trade advances amount due from subsidiary companies are unsecured, interest-free and collectible upon demand.

Notes to the Financial Statements (cont'd)

14. Other Investments

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Financial assets at fair value through profit or loss:				
- Quoted money market fund	7,628	6,089	3,008	3,633

The interest rates of other investments of the Group and of the Company range from 0.004% to 0.290% (2022: 0.004% to 0.190%) per annum and 0.01% to 0.29% (2022: 0.01% to 0.32%) per annum respectively.

15. Share Capital

	Group and Company			
	Number of Shares		Amount	
	2023 Units'000	2022 Units'000	2023 RM'000	2022 RM'000
Issued and fully paid shares				
Ordinary Shares				
At 1 January/31 December	141,161	141,161	24,079	24,079

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

16. Reserves

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-distributable				
Fair value reserve	65	59	-	-
Foreign currency translation reserve	(58)	(28)	-	-
Distributable				
Retained earnings	23,532	23,284	8,193	8,213
	23,539	23,315	8,193	8,213

(a) Fair value reserve

Fair value reserve represents the cumulative net fair value changes in the financial assets at fair value through other comprehensive income financial assets until they are derecognised or impaired.

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

17. Lease Liabilities

	Group	
	2023 RM'000	2022 RM'000
At 1 January	755	802
Additions	255	521
Accretion of interest (Note 22)	57	69
Repayments	(402)	(381)
Termination of lease contracts	(23)	(256)
Exchange differences	5	-
At 31 December	647	755
Presented as:		
Non-current	337	476
Current	310	279
	647	755

The maturity analysis of lease liabilities of the Group at the end of the reporting period:

	Group	
	2023 RM'000	2022 RM'000
Within one year	347	313
Later than one year and not later than two years	269	244
Later than two years and not later than five years	85	270
	701	827
Less: Future finance charges	(54)	(72)
Present value of lease liabilities	647	755

The Group leases buildings and shoplots. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

(a) Obligations under lease liabilities

These obligations are secured by a charge over the leased assets as disclosed in Note 6. The interest rate of the Group for the leases range from 6.64% to 7.89% (2022: 6.64% to 7.89%) per annum.

(b) Renewal and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

17. Lease Liabilities (cont'd)

(b) Renewal and termination options (cont'd)

The Group includes the renewal period as part of the lease term for leases of land and building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

18. Deferred Tax Liabilities

	Group	
	2023 RM'000	2022 RM'000
At 1 January	97	98
Recognised in profit or loss (Note 24)	6	(1)
At 31 December	103	97

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follow:

	Group	
	2023 RM'000	2022 RM'000
Deferred tax assets	(82)	(89)
Deferred tax liabilities	185	186
	103	97

The components and movements of deferred tax asset and liability are as follows:

Deferred tax asset of the Group

	Unabsorbed capital allowances RM'000
Group	
2023	
At 1 January	(89)
Recognised in profit or loss	7
At 31 December	(82)
2022	
At 1 January	(96)
Recognised in profit or loss	7
At 31 December	(89)

18. Deferred Tax Liabilities (cont'd)

The components and movements of deferred tax asset and liability are as follows: (cont'd)

Deferred tax liability of the Group

	Accelerated Capital Allowance RM'000
Group	
2023	
At 1 January	186
Recognised in profit or loss	(1)
At 31 December	185
2022	
At 1 January	194
Recognised in profit or loss	(8)
At 31 December	186

Deferred tax assets have not been recognised in respect of the following item:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unused tax losses	6,478	5,269	2,148	1,924
Unabsorbed capital allowances	721	583	-	-
	7,199	5,852	2,148	1,924

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

Pursuant to an amendment to Section 44(5F) of the Income Tax Act 1967, effective from year of assessment 2019 onwards, the unused tax losses can be carried forward for a maximum period of ten consecutive years of assessment. The unused tax losses accumulated up to year of assessment 2018 can be carried forward for another ten consecutive years of assessment until year of assessment 2028. The other temporary differences do not expire under current tax legislation.

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Unutilised tax losses to be carried forward until:				
- Year of assessment 2028	1,050	1,050	738	738
- Year of assessment 2029	1,248	1,248	668	668
- Year of assessment 2030	1,106	1,106	127	127
- Year of assessment 2031	867	867	-	-
- Year of assessment 2032	998	998	391	391
- Year of assessment 2033	1,209	-	224	-
	6,478	5,269	2,148	1,924

Notes to the Financial Statements (cont'd)

19. Trade Payables

Credit terms of trade payables of the Group ranged from 30 to 90 days (2022: 30 to 90 days) from the date of invoices.

20. Other Payables

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other payables	472	818	3	11
Deposits	1,031	1,007	-	-
Accruals	392	704	54	48
GST payable	2	2	-	-
	1,897	2,531	57	59

21. Revenue

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contracts with customers				
Trading sales:				
- food service equipment	26,315	31,736	-	-
- animal health products	28,920	32,152	-	-
- food service supplies	122	29	-	-
Management fees	-	-	3,792	3,588
	55,357	63,917	3,792	3,588
Revenue from other sources				
Dividend income	-	-	1,600	4,660
	55,357	63,917	5,392	8,248

The timing of revenue recognition is at a point in time.

22. Finance Costs

	Group	
	2023 RM'000	2022 RM'000
Interest expense on:		
- Banker's acceptance	1	-
- Lease liabilities	57	69
	58	69

23. Profit Before Taxation

Profit before taxation is determined after charging/(crediting):

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Auditors' remuneration:				
- Statutory audit				
- Current year	65	59	18	17
- Overprovision in prior year	-	(2)	-	-
- Non-statutory audit	8	5	8	5
Amortisation of right-of-use assets	360	343	-	-
Depreciation of property, plant and equipment	582	547	-	-
Depreciation of investment properties	18	19	-	-
Bad debts written off	9	16	-	-
Non-Executive Directors' remunerations:				
- Fees	86	72	86	72
- Benefits-in-kind	4	5	4	5
Dividend income	(1)	(1)	-	-
Fair value gain on financial assets	(256)	(233)	(104)	(52)
Gain on disposal of property, plant and equipment	-	(57)	-	-
Inventories written off	-	5	-	-
Reversal of inventories written down	-	(205)	-	-
Goodwill written off	8	-	-	-
Impairment loss on investment in subsidiary company	-	-	500	-
Loss/(gain) on foreign exchange:				
- realised	30	70	(6)	-
- unrealised	(266)	(79)	-	(5)
Impairment loss on trade receivables	26	184	-	-
Reversal of impairment loss on trade receivables	(184)	(18)	-	-
Net (gain)/loss on impairment of trade receivables	(158)	166	-	-
Interest income	(119)	(87)	(17)	(7)
Property, plant and equipment written off	6	1	-	-
Lease expenses relating to short-term leases	378	366	-	-
Gain on termination of lease contracts	(1)	(22)	-	-
Rental income	(189)	(166)	-	

Notes to the Financial Statements (cont'd)

24. Taxation

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Tax expenses recognised in profit or loss				
Malaysian statutory tax:				
- Current tax provision	1,093	1,658	8	2
- (Over)/Underprovision in prior years	(79)	152	5	1
	1,014	1,810	13	3
Deferred tax (Note 18):				
- Origination and reversal of temporary differences	10	1	-	-
- Overprovision in prior years	(4)	(2)	-	-
	6	(1)	-	-
	1,020	1,809	13	3

Malaysian income tax is calculated at the statutory tax rate of 24% of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expenses applicable to profit before taxation at the statutory tax rate to income tax expenses at the effective tax rate of the Group and of the Company are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before taxation	2,680	4,363	1,405	4,244
At Malaysian statutory tax rate of 24%	643	1,047	337	1,019
Effect of different tax rate in other jurisdictions	35	7	-	-
Expenses not deductible for tax purposes	405	407	22	26
Income not subject to tax	(303)	(61)	(405)	(1,128)
Deferred tax assets not recognised	323	259	54	85
(Over)/Underprovision of taxation in prior years	(79)	152	5	1
Overprovision of deferred taxation of prior years	(4)	(2)	-	-
	1,020	1,809	13	3

25. Earnings per Share

Basic earnings per ordinary share

The basic earnings per share are calculated based on the consolidated profit for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2023 RM'000	2022 RM'000
Profit attributable to owners of the parent	1,660	2,554
Weighted average number of ordinary shares in issue '000	141,161	141,161
Basic earnings per ordinary share (sen):	1.18	1.81

Diluted earnings per ordinary share

The diluted earnings per ordinary share is the same as the basic earnings per ordinary share of the Group, as the Group has no dilutive potential ordinary shares during the current and prior financial years.

26. Dividends

	Group/Company	
	2023 RM'000	2022 RM'000
Dividends recognised as distibution to ordinary shareholders of the Company:		
Interim dividends paid in respect of the financial year ended:		
- 31 December 2022 (single-tier dividend of RM0.01 per ordinary share)	1,412	-
- 31 December 2021 (single-tier dividend of RM0.01 per ordinary share)	-	1,412

The Board of Directors does not recommend any dividend in respect of the current financial year.

27. Employee Benefit Expenses

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Salaries, wages and other emolument	6,953	7,786	2,821	3,273
Defined contribution plans	850	897	255	252
Other related expenses	260	498	50	49
Benefits-in-kind	32	41	32	41
	8,095	9,222	3,158	3,615

Notes to the Financial Statements (cont'd)

27. Employee Benefit Expenses (cont'd)

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Company during the financial year as below:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Executive Directors				
Salaries, wages and other emolument	1,303	1,843	1,303	1,768
Defined contribution plans	72	71	72	70
Benefits-in-kind	32	41	32	41
	1,407	1,955	1,407	1,879

28. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	As at 1 January RM'000	New leases (Note 17) RM'000	Financing cash flows (i) RM'000	Other changes (ii) RM'000	At 31 December RM'000
Group					
2023					
Lease liabilities	755	255	(345)	(23)	642
Dividend payable	1,412	-	(1,412)	-	-
	2,167	255	(1,757)	(23)	642
2022					
Lease liabilities	802	521	(312)	(256)	755
Dividend payable	1,412	-	(1,412)	-	-
	2,214	521	(1,724)	(256)	755
Company					
2023					
Dividend payable	1,412	-	(1,412)	-	-
2022					
Dividend payable	1,412	-	(1,412)	-	-

(i) The financing cash flows include the net amount of proceeds from or repayments of lease liabilities and payment of dividends in the statements of cash flows.

(ii) Other changes include termination of lease contracts.

29. Related Party Disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors of the Company and certain members of senior management of the Group and of the Company.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	2023 RM'000	2022 RM'000
Group		
Rental paid		
- Kumsan Enterprise (M) Sdn. Bhd.	(144)	(144)
- Mr Cher Hwee Seng	(120)	(108)
- Sim Ah Choon#	(60)	(60)
Company		
Management fee income		
- SCC Corporation Sdn. Bhd.	2,520	2,208
- Anitox (M) Sdn. Bhd.	636	588
- SCC Food Manufacturing Sdn. Bhd.	300	402
- Positive Insight Sdn. Bhd.	336	390
Dividend income		
- SCC Corporation Sdn. Bhd.	-	1,460
- Anitox (M) Sdn. Bhd.	1,600	3,200

 # Spouse of Mr Cher Sew Seng

29. Related Party Disclosures (Cont'd)

(c) Compensation of key management personnel

The key management personnel compensation is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors of the Company				
Executive:				
Salaries and other emoluments	1,303	1,843	1,303	1,768
Defined contribution plans	72	71	72	70
	1,375	1,914	1,375	1,838
Benefits-in-kind	32	41	32	41
	1,407	1,955	1,407	1,879
Non-Executive:				
Fees	86	72	86	72
Benefits-in-kind	4	5	4	5
	1,497	2,032	1,497	1,956
Other key management personnel				
Salaries and other emoluments	1,595	2,088	371	421
Defined contribution plans	189	250	45	50
	1,784	2,338	416	471
Total	3,281	4,370	1,913	2,427

30. Operating Segments

For management purposes, the Group is organised into business units based on their products and services, and has three reportable segments as follows:

(a) Food service equipment segment includes the selling activities of all industrial-grade equipment used to aid the final preparation and delivery of meals to customers. Food service equipment are highly specialised for application in large kitchens and are suited for the use of restaurants, cafes, fast food joints and other food service providers.

(b) The animal health product segment includes the selling of antimicrobial preservatives and feed additives. Antimicrobial preservative reduces mould and bacterial levels in feeds and feed ingredients. Feed additives are substances which are to be added in small or micro quantities to macronutrient of animal feed to provide specific health or nutrition effects in a concentrated manner.

(c) Other reportable segments are all other activities other than the above reportable segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

30. Operating Segments (cont'd)

	Food Service Equipment RM'000	Animal Health Products RM'000	Others RM'000	Total RM'000	Elimination/ adjustments RM'000		Consolidated RM'000
2023							
Revenue							
External customers	19,159	28,920	7,278	55,357	-		55,357
Inter-segment:							
- Trading sales	411	-	1,610	2,021	(2,021)	(A)	-
- Management fee	-	-	3,792	3,792	(3,792)	(A)	-
- Dividend income	-	-	1,600	1,600	(1,600)	(A)	-
Total revenue	19,570	28,920	14,280	62,770	(7,413)		55,357
Results							
Dividend income	-	-	1	1	-		1
Fair value gain on financial assets	-	85	171	256	-		256
Gain on termination of lease contracts	-	-	1	1	-		1
Interest income	-	37	82	119	-		119
Rental income	-	240	237	477	(288)	(B)	189
Reversal of impairment loss on trade receivables	138	26	20	184	-		184
Unrealised gain on foreign exchange	-	-	211	211	55	(B)	266
Miscellaneous income	47	1	17	65	-		65
Amortisation of right-of-use assets	(31)	-	(329)	(360)	-		(360)
Depreciation of property, plant equipment	(1)	(71)	(510)	(582)	-		(582)
Depreciation of investment properties	-	(9)	(9)	(18)	-		(18)
Property, plant and equipment written off	-	-	(6)	(6)	-		(6)
Bad debts written off	(9)	-	-	(9)	-		(9)

30. Operating Segments (cont'd)

	Food Service Equipment RM'000	Animal Health Products RM'000	Others RM'000	Total RM'000	Elimination/ adjustments RM'000		Consolidated RM'000
2023							
Results (cont'd)							
Impairment loss on investment in subsidiary company	-	-	500	500	(500)	(B)	-
Impairment loss on trade receivables	(1)	-	(25)	(26)	-		(26)
Goodwill written off	-	-	-	-	(8)	(B)	(8)
Interest expense	(7)	-	(51)	(58)	-		(58)
Unallocated corporate expenses	(19,735)	(27,301)	(12,415)	(59,451)	6,760	(B)	(52,691)
	(19,599)	(26,992)	(12,105)	(58,696)	6,019		(52,677)
Segment (loss)/profit	(29)	1,928	2,175	4,074	(1,394)		2,680
Assets							
Additions to non-current assets	-	320	88	408	-		408
Tax recoverable	-	148	1,543	1,691	-		1,691
Segment assets	9,599	13,844	56,796	80,239	(28,337)	(C)	51,902
	9,599	14,312	58,427	82,338	(28,337)		54,001
Liabilities							
Deferred tax liabilities	-	31	72	103	-		103
Tax payables	-	1	-	1	-		1
Segment liabilities	-	3,286	15,311	18,597	(12,318)	(C)	6,279
	-	3,318	15,383	18,701	(12,318)		6,383
Capital expenditure							
Property, plant and equipment	-	320	88	408	-		408

30. Operating Segments (cont'd)

	Food Service Equipment RM'000	Animal Health Products RM'000	Others RM'000	Total RM'000	Elimination/ adjustments RM'000		Consolidated RM'000
2022							
Revenue							
External customers	24,987	32,152	6,778	63,917	-		63,917
Inter-segment:							
- Trading sales	78	-	2,654	2,732	(2,732)	(A)	-
- Management fee	-	-	3,588	3,588	(3,588)	(A)	-
- Dividend income	-	-	4,660	4,660	(4,660)	(A)	-
Total revenue	25,065	32,152	17,680	74,897	(10,980)		63,917
Results							
Dividend income	-	1	-	1	-		1
Fair value gain on financial assets	-	77	156	233	-		233
Gain on termination of lease contracts	-	-	22	22	-		22
Gain on disposal of property, plant and equipment	-	51	6	57	-		57
Interest income	-	29	58	87	-		87
Rental income	-	220	234	454	(288)	(B)	166
Reversal of impairment loss on trade receivables	11	6	1	18	-		18
Reversal of inventories written down	205	-	-	205	-		205
Unrealised gain on foreign exchange	-	-	39	39	40	(B)	79
Miscellaneous income	47	1	83	131	-		131
Bad debts written off	(16)	-	-	(16)	-		(16)
Inventories written off	-	(5)	-	(5)	-		(5)
Amortisation of right-of-use assets	-	-	(343)	(343)	-		(343)
Depreciation of property, plant equipment	(1)	(35)	(511)	(547)	-		(547)
Depreciation of investment properties	-	(10)	(9)	(19)	-		(19)
Property, plant and equipment written off	-	-	(1)	(1)	-		(1)

30. Operating Segments (cont'd)

	Food Service Equipment RM'000	Animal Health Products RM'000	Others RM'000	Total RM'000	Elimination/ adjustments RM'000		Consolidated RM'000
2022							
Results (cont'd)							
Impairment loss on trade receivables	(151)	(12)	(21)	(184)	-		(184)
Interest expense	(2)	-	(67)	(69)	-		(69)
Unallocated corporate expenses	(23,633)	(29,639)	(12,625)	(65,897)	6,528	(B)	(59,369)
	(23,540)	(29,316)	(12,978)	(65,834)	6,280		(59,554)
Segment profit	1,525	2,836	4,702	9,063	(4,700)		4,363
Assets							
Additions to non-current assets	-	161	536	697	-		697
Tax recoverable	714	23	286	1,023	-		1,023
Segment assets	14,464	14,968	52,711	82,143	(28,984)	(C)	53,159
	15,178	15,152	53,533	83,863	(28,984)		54,879
Liabilities							
Deferred tax liabilities	-	21	76	97	-		97
Tax payables	-	125	-	125	-		125
Segment liabilities	-	5,090	14,404	19,494	(12,231)	(C)	7,263
	-	5,236	14,480	19,716	(12,231)		7,485
Capital expenditure							
Property, plant and equipment	-	161	536	697	-		697

30. Operating Segments (cont'd)

Note: Nature of the adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.

(A) Inter-segment revenues are eliminated on consolidation.

(B) Inter-segment other income and expenses are eliminated on consolidation.

(C) Inter-segment assets and liabilities are eliminated on consolidation.

Geographical information

The Group operates predominantly in Malaysia. Accordingly, the information by geographical segments is not presented.

Major customers

Major customers' information are revenues from transactions with a single external customer amount to ten percent or more of the Group revenue. A group of entities known to a reporting entity to be under common control shall be considered a single customer, and entities known to the reporting entity to be under the control of that government shall be considered a single customer.

Total revenue from Nil (2022: 1) major customers which individually contributed more than 10% of the Group revenue from the food service equipment segment which amounted to RMNil (2022: RM7,987,000).

31. Financial Instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	At AC RM'000	At FVTPL RM'000	At FVTOCI RM'000	Total RM'000
Group				
2023				
Financial Assets				
Investment securities	-	-	75	75
Trade receivables	13,443	-	-	13,443
Other receivables	333	-	-	333
Other investments	-	7,628	-	7,628
Cash and bank balances	6,389	-	-	6,389
Total financial assets	20,165	7,628	75	27,868
Financial Liabilities				
Trade payables	3,735	-	-	3,735
Other payables	1,895	-	-	1,895
Lease liabilities	647	-	-	647
Total financial liabilities	6,277	-	-	6,277
Company				
Financial Assets				
Other receivables	2	-	-	2
Amount due from subsidiary companies	11,559	-	-	11,559
Other investments	-	3,008	-	3,008
Cash and bank balances	1,628	-	-	1,628
Total financial assets	13,189	3,008	-	16,197
Financial Liability				
Other payables	57	-	-	57

31. Financial Instruments (cont'd)

(a) Classification of financial instruments (cont'd)

	At AC RM'000	At FVTPL RM'000	At FVTOCI RM'000	Total RM'000
Group				
2022				
Financial Assets				
Investment securities	-	-	69	69
Trade receivables	12,447	-	-	12,447
Other receivables	295	-	-	295
Other investments	-	6,089	-	6,089
Cash and bank balances	7,634	-	-	7,634
Total financial assets	20,376	6,089	69	26,534
Financial Liabilities				
Trade payables	3,977	-	-	3,977
Other payables	2,529	-	-	2,529
Lease liabilities	755	-	-	755
Total financial liabilities	7,261	-	-	7,261
Company				
Financial Assets				
Other receivables	2	-	-	2
Amount due from subsidiary companies	11,965	-	-	11,965
Other investments	-	3,633	-	3,633
Cash and bank balances	135	-	-	135
Total financial assets	12,102	3,633	-	15,735
Financial Liability				
Other payables	59	-	-	59

(b) Financial risk management

The Group has exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk
- Market risks

(i) Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer, loans and advances to subsidiary companies and financial guarantee given to banks for credit facilities granted to subsidiary companies. There are no significant changes as compared to prior periods.

31. Financial Instruments (cont'd)

(b) Financial risk management (cont'd)

(i) Credit risk (cont'd)

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis via Group's management reporting procedures and action will be taken for long overdue debts. Majority of the trade receivables are from trading activities.

At each reporting date, Group assesses whether any of the trade receivables are credit impaired.

The gross amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous financial year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statements of financial position.

Concentration of credit risk

As at the end of the financial year, the Group has no major customers accounted for more than 10% of the total trade receivables outstanding.

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within credit terms. The Group's debt recovery process is that when invoices which are exceeded credit terms, the Company will start to initiate a structured debt recovery process which is monitored by sales team.

The Group uses an allowance matrix to measure ECLs for trade receivables. Consistent with the debt recovery process, invoices which are exceeded credit terms will be considered as credit impaired.

Loss rates are based on actual credit loss experience over the past three years. Nevertheless, the Group believes that the forward-looking factors are immaterial for the purpose of calculation impairment for the financial year.

31. Financial Instruments (cont'd)

(b) Financial risk management (cont'd)

(i) Credit risk (cont'd)

Trade receivables (cont'd)

Recognition and measurement of impairment loss (cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables of the Group as at reporting period:

	Gross trade receivables RM'000	Allowance for impairment RM'000	Net balance RM'000
Group			
2023			
Current	6,686	(1)	6,685
Past due or not impaired			
- Less than 30 days	3,090	(7)	3,083
- 31 to 60 days	1,880	-	1,880
- 61 to 90 days	716	(1)	715
- more than 90 days	1,095	(15)	1,080
	13,467	(24)	13,443
Credit impaired			
More than 90 days			
- Individually impaired	37	(37)	-
	13,504	(61)	13,443
2022			
Current	7,835	-	7,835
Past due or not impaired			
- Less than 30 days	2,423	-	2,423
- 31 to 60 days	921	-	921
- 61 to 90 days	553	-	553
- more than 90 days	725	(10)	715
	12,457	(10)	12,447
Credit impaired			
More than 90 days			
- Individually impaired	218	(218)	-
	12,675	(228)	12,447

31. Financial Instruments (cont'd)

(b) Financial risk management (cont'd)

(i) Credit risk (cont'd)

Trade receivables (cont'd)

The movement in the allowance for impairment losses in respect of trade receivables of the Group for the financial year are as follows:

	Lifetime ECL RM'000	Credit impaired RM'000	Total RM'000
Group			
2023			
At 1 January	10	218	228
Impairment loss recognised	14	12	26
Impairment loss reversed	-	(184)	(184)
Written off	-	(9)	(9)
At 31 December	24	37	61
2022			
At 1 January	10	68	78
Impairment loss recognised	-	184	184
Impairment loss reversed	-	(18)	(18)
Written off	-	(16)	(16)
At 31 December	10	218	228

Cash and cash equivalents

Risk management objectives, policies and processes for managing the risk

The cash and cash equivalents are held with banks. The Group and the Company have a credit policy in place to control credit risk by deposit with banks.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Recognition and measurement of impairment loss

These banks have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Risk management objectives, policies and processes for managing the risk

Credit risks on other receivables are mainly arising from receivables from third parties. The Group and the Company manage the credit risk on an ongoing basis via the Group's and the Company's management reporting procedures and action will be taken for long outstanding debts.

31. Financial Instruments (cont'd)

(b) Financial risk management (cont'd)

(i) Credit risk (cont'd)

Other receivables (cont'd)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Recognition and measurement of impairment loss

As there are only a few debtors, these other receivables have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiary companies. The Company monitors the ability of the subsidiary companies to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiary companies has low credit risk because there is no indicates that any going concern from subsidiary companies. Consequently, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group and the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from its various payables.

The Group and the Company actively manage their operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet its working capital requirements and prudently balances its portfolio of short term and long-term funding requirements.

As at the end of the reporting period, the Group has access to secured unused bank overdraft and trade facility of RM1,230,000 and RM6,600,000. The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

All the financial liabilities of the Company are assessed as current and correspondingly, no detailed maturity analysis is deemed necessary.

31. Financial Instruments (cont'd)

(b) Financial risk management (cont'd)

(ii) Liquidity risk (cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	On demand or within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
Group					
2023					
Non-derivative financial liabilities					
Trade payables	3,735	-	-	3,735	3,735
Other payables	1,895	-	-	1,895	1,895
Lease liabilities	347	269	85	701	647
	5,977	269	85	6,331	6,277
2022					
Non-derivative financial liabilities					
Trade payables	3,977	-	-	3,977	3,977
Other payables	2,529	-	-	2,529	2,529
Lease liabilities	313	244	270	827	755
	6,819	244	270	7,333	7,261

31. Financial Instruments (cont'd)

(b) Financial risk management (cont'd)

(iii) Market risks

(a) Foreign currency exchange risk

The Group is exposed to foreign currency risk through normal trading activities on sales transactions that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Pound Sterling ("GBP"), Euro Dollar ("EUR") and Brunei Dollar ("BND"). Foreign currency risk is monitored closely on an ongoing basis to ensure the net exposure is at an acceptable level.

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	USD RM'000	GBP RM'000	EUR RM'000	BND RM'000	Total RM'000
Group					
2023					
Financial Assets					
Trade receivables	194	-	-	-	194
Other receivables	964	-	145	-	1,109
Cash and bank balances	1,498	-	-	-	1,498
	2,656	-	145	-	2,801
Financial Liability					
Trade payables	(1,270)	-	(63)	-	(1,333)
2022					
Financial Assets					
Trade receivables	93	-	-	-	93
Other receivables	2,174	-	16	-	2,190
Cash and bank balances	648	-	-	-	648
	2,915	-	16	-	2,931
Financial Liability					
Trade payables	(13)	(1)	(23)	(1)	(38)

31. Financial Instruments (cont'd)

(b) Financial risk management (cont'd)

(iii) Market risks (cont'd)

(a) Foreign currency exchange risk (cont'd)

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit before taxation to a reasonably possible change in the USD, GBP, EUR and BND exchange rates against RM, with all other variables held constant.

Group	Change in currency rate	Effect on profit before taxation 2023 RM'000	2022 RM'000
USD	Strengthened 5%	69	145
	Weakened 5%	(69)	(145)
GBP	Strengthened 5%	-	(1)
	Weakened 5%	-	1
EUR	Strengthened 5%	5	(1)
	Weakened 5%	(5)	1
BND	Strengthened 5%	-	(1)
	Weakened 5%	-	1

(b) Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in market interest rates.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group 2023 RM'000	2022 RM'000
Fixed rate instrument		
Financial Liability		
- Lease liabilities	647	755

31. Financial Instruments (cont'd)

(b) Financial risk management (cont'd)

(iii) Market risks (cont'd)

(b) Interest rate risk (cont'd)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in market interest rates at the end of the reporting period would not affect profit or loss.

(c) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted instruments. These investments are listed on Bursa Malaysia and are classified as fair value through profit or loss or available-for-sale financial assets.

Management of the Group monitors investments in quoted instruments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by Risk Management Committee of the Group.

Market price risk sensitivity analysis

At the reporting date, if the various stock indices had been 1% higher/lower, with all other variables held constant, the Group's profit before tax would have been RM76,280 (2022: RM60,890) higher/lower, arising as a result of higher/lower fair value gains on held for trading investments in equity instruments, and the Group's other reserve in equity would have been RM760 (2022: RM690) higher/lower, arising as a result of an increase/decrease in the fair value of equity instruments classified as available for sale.

(c) Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

The carrying amounts of receivables and payables, cash and cash equivalents and borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

31. Financial Instruments (Cont'd)

(c) Fair value of financial instruments (cont'd)

The table below analyses financial instruments carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value Level 1 RM'000	Total fair value RM'000	Carrying amount RM'000
Group			
2023			
Financial Assets			
Investment securities	75	75	75
Other investments	7,628	7,628	7,628
2022			
Financial Assets			
Investment securities	69	69	69
Other investments	6,089	6,089	6,089
Company			
2023			
Financial Asset			
Other investments	3,008	3,008	3,008
2022			
Financial Asset			
Other investments	3,633	3,633	3,633

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current and previous financial years.

32. Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

There were no changes in the Group's approach to capital management during the financial year.

The Group is not subject to any externally imposed capital requirements.

33. Comparative Information

Certain comparatives were restated to conform with current financial year's presentation.

34. Date of Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 12 April 2024.

List of Properties

Location of Property	Description (Existing Use)	Land Area Buildup Area (Sq ft.)	Tenure	Age of Building	Net Book Value as at 31.12.2023	Date of acquisition
No. 93, Jalan Pendamar 27/90, Seksyen 27, 40400 Shah Alam. (PT No 4782)	Company Warehouse 1+1/2 storey factory	9,430 / 5,835	Freehold	27 years	RM627,571	June 1994
No. 58, Jalan Kapar 27/99, Seksyen 27, 40400 Shah Alam. (PT No 4823)	Company Warehouse/ factory 1+1/2 storey factory	4,680 / 3,888	Freehold	17 years	RM316,855	June 2005
No. 54, Jalan Kapar 27/89, Seksyen 27, 40400 Shah Alam. (PT No 4825)	Company Warehouse 1+1/2 storey factory	4,680 / 3,888	Freehold	17 years	RM316,854	June 2005
No. 138, Jalan Kapar 27/89, Seksyen 27, 40400 Shah Alam. (PT No 4742)	Rented out 3 storey Industrial Showroom	4,680 / 6,383	Freehold	21 years	RM290,590	March 1999
No. 140 Jalan Kapar 27/89, Seksyen 27, 40400 Shah Alam. (PT No 4741)	Rented out 3 storey Industrial Showroom	4,680 / 6,383	Freehold	21 years	RM275,883	March 1999
No. 15 & 15A, Jalan Hujan, Taman Overseas Union, 58200 Kuala Lumpur. (Lot 9383)	Company Office Double Storey Shoplot	1,600 / 3,200	Freehold	53 years	RM238,624	October 1992
No. 91, Jalan Pendamar 27/90, Seksyen 27, 40400 Shah Alam. (PT No 4783)	Company Warehouse 1+1/2 storey factory	4,680 / 3,735	Freehold	27 years	RM218,728	June 1994
No. 89, Jalan Pendamar 27/90, Seksyen 27, 40400 Shah Alam. (PT No 4784)	Company Warehouse 1+1/2 storey factory	4,680 / 3,735	Freehold	27 years	RM1,425,000	July 2021

Analysis of Shareholdings
As at 29 March 2024

SHARE CAPITAL

Issued and Fully Paid-up Capital	:	141,160,140
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share

SHAREHOLDING DISTRIBUTION SCHEDULE (AS PER THE RECORD OF DEPOSITORS)

No. of Shareholders	Size of Shareholdings	No. of Shares Held	% of Shares
66	Less than 100	1,792	*
103	100 to 1,000	49,131	0.03
371	1,001 to 10,000	2,167,520	1.54
466	10,001 to 100,000	16,680,900	11.82
103	100,001 to less than 5% of issued shares	60,365,721	42.76
4	5% and above of the issued shares	61,895,076	43.85
1,113	**TOTAL**	**141,160,140**	**100.00**

* Less than 0.01%

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (AS PER THE RECORD OF DEPOSITORS)

	Name of Shareholders	No. of Shares Held	Percentage (%)
1.	Cher Sew Seng	19,397,847	13.74
2.	Chee Long Sing @ Cher Hwee Seng	16,500,000	11.69
3.	Chee Long Sing @ Cher Hwee Seng	14,186,784	10.05
4.	Goh Ah Heng @ Goh Keng Chin	11,810,445	8.37
5.	JCBNEXT Berhad	6,233,100	4.42
6.	Soh Kian Teck	4,595,296	3.26
7.	Moke Joan Moon	4,527,950	3.21
8.	Chu Sou Taik	4,376,448	3.10
9.	Tee Meng Hock	3,613,683	2.56
10.	Tee Meng Hock	2,999,883	2.13
11.	Chu Sou Taik	2,270,400	1.61
12.	Ong Gee Leng	2,014,724	1.43
13.	Yee Kim Ee	1,779,330	1.26
14.	Sim Mui Khee	1,449,500	1.03
15.	Khor Meow Siang	1,164,200	0.82
16.	CIMB Group Nominees (Asing) Sdn. Bhd. - Exempt an for DBS Bank LTD (SFS)	1,160,700	0.82
17.	Cher Lip Chun	1,024,802	0.73
18.	Maybank Nominees (Tempatan) Sdn. Bhd. -Exempt an for Tradeview Capital Sdn. Bhd.	875,700	0.62
19.	Tey Ser Kok @ Teh Ser Kok	825,000	0.58
20.	Ng Kim Yuen	745,000	0.53
21.	Goh Foi Tee	743,800	0.53
22.	Cher Chou Chiang	740,000	0.52
23.	Low Kwi Yeen	660,000	0.47

Analysis of Shareholdings (cont'd)

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (AS PER THE RECORD OF DEPOSITORS) (CONT'D)

	Name of Shareholders	No. of Shares Held	Percentage (%)
24.	Cher Lip Ter	599,260	0.42
25.	Lee Keng Fah	585,400	0.41
26.	Lim Chee Chin @ Lim Ching Sin	550,000	0.39
27.	Siau Jy Ne	515,840	0.37
28.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tee Chee Chiang (807610)	503,800	0.36
29.	Chiang Siew Eng @ Le Yu Ak Ee	500,100	0.35
30.	Lai Boon Kiat	500,000	0.35
	Total	**107,448,992**	**76.12**

SUBSTANTIAL SHAREHOLDERS (AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

		No. of Shares Held			
	Name of Shareholders	Direct	%	Indirect	%
1.	Chee Long Sing @ Cher Hwee Seng	30,686,784	21.74	139,989**	0.10
2.	Cher Sew Seng	19,397,847	13.74	-	-
3.	Goh Ah Heng @ Goh Keng Chin	11,810,445	8.37	-	-

Note:-

** Deemed interest by virtue of his direct shareholdings in Kumsan Enterprises (M) Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016

DIRECTORS' SHAREHOLDINGS (AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS)

		No. of Shares Held			
	Name of Directors	Direct	%	Indirect	%
1.	Chee Long Sing @ Cher Hwee Seng	30,686,784	21.74	805,249#	0.57
2.	Cher Lip Chun	1,024,802	0.73	66,000^	0.05
3.	Cher Sew Seng	19,397,847	13.74	1,482,500##	1.05
4.	Cher Lip Ter	599,260	0.43	31,777,586###	22.51
5.	Tan Tian Wooi	-	-	-	-
6.	Datuk Wira Dr Goy Hong Boon	-	-	-	-
7.	Puar Chin Jong	-	-	-	-
8.	Lew Yen Peng	-	-	-	-

Notes:-

Deemed interest by virtue of his direct shareholdings in Kumsan Enterprises (M) Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and by virtue of his spouse's and child's direct shareholding in SCC.

Deemed interest by virtue of his spouse's and children's direct shareholding in SCC.

Deemed interest by virtue of his father's, his brother's and his spouse's direct shareholding in SCC.

^ Deemed interest by virtue of his spouse's direct shareholdings in SCC.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 24th Annual General Meeting ("**AGM**") of **SCC HOLDINGS BERHAD** will be held at Flamingo 3, Level 7, The Pearl Kuala Lumpur, Batu 5, Jalan Klang Lama, 58000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on **Tuesday**, **28 May 2024** at **2.30 p.m.** or at any adjournment thereof to transact the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2023 together with the Report of the Directors and Auditors thereon. *(See Explanatory Note 8)*

2. To approve the payment of Directors' benefits payable of up to RM6,000.00 for the financial year ended 2023. **Ordinary Resolution 1** *(See Explanatory Note 9)*

3. To approve the payment of Directors' benefits payable of up to RM6,000.00 for the financial year ending 31 December 2024 payable in arrears after each month of completed service of the Directors during the financial year. **Ordinary Resolution 2** *(See Explanatory Note 9)*

4. To approve the payment of Directors' fees and benefits payable of up to RM102,000 for the financial year ending 31 December 2025 payable in arrears after each month of completed service of the Directors during the financial year. **Ordinary Resolution 3** *(See Explanatory Note 9)*

5. To re-elect Mr. Cher Lip Chun, who retire by rotation pursuant to Clause 165 of the Company's Constitution and who being eligible, has offered himself for re-election. **Ordinary Resolution 4** *(See Explanatory Note 10)*

   Mr. Chee Long Sing @ Cher Hwee Seng who retire pursuant to Clause 165 of the Company's Constitution, indicated his intention of not seeking re-election. Hence, he will remain in office until at the conclusion of this AGM.

6. To re-elect the following Directors, who retire pursuant to Clause 156 of the Company's Constitution and who being eligible, have offered themselves for re-election:

   (i) Mr. Puar Chin Jong; **Ordinary Resolution 5**
   (ii) Madam Lew Yen Peng; and **Ordinary Resolution 6**
   (ii) Mr. Cher Lip Ter. **Ordinary Resolution 7**
   (See Explanatory Note 10)

7. To re-appoint Messrs UHY as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors to fix their remuneration. **Ordinary Resolution 8** *(See Explanatory Note 11)*

Notice of Annual General Meeting (cont'd)

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:

8. **Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016 ("CA 2016")** — **Ordinary Resolution 9** *(See Explanatory Note 12)*

   "**THAT** subject always to the CA 2016, the Constitution of the Company, the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of the relevant governmental and/or regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the CA 2016 to allot and issue shares in the Company, at any time and from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) for the time being and that the Directors be and are also empowered to obtain approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company after the approval was given or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier unless revoked or varied by an ordinary resolution of the Company at a general meeting ("**Mandate**");

   THAT approval be and is hereby given for the waiver of the statutory pre-emptive rights of the existing shareholders of the Company to be offered new shares in proportion to their shareholdings ranking equally to the existing issued shares of the Company pursuant to Section 85 of the CA 2016 and Clause 21 of the Constitution of the Company arising from any issuance of new shares pursuant to the Mandate;

   AND THAT the Board of Directors ("**Board**") of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company arising from any issuance of new shares pursuant to the Mandate."

7. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the CA 2016.

By Order of the Board
SCC HOLDINGS BERHAD

CHANG NGEE CHUANG (MAICSA 7077854) (SSM PC No. 201908001421)
THONG PUI YEE (MAICSA 7067416) (SSM PC No. 202008000510)
Company Secretaries
Kuala Lumpur

Date: 29 April 2024

Notes:-

1. A shareholder is entitled to appoint a proxy or proxies to exercise all or any of the shareholder's rights to attend, speak and vote at AGM. The proxy appointed shall have the same rights as the shareholders to speak at AGM.
2. If a shareholder appoints more than 1 proxy, they must specify the proportion of the shareholder's shareholdings to be represented by each proxy.
3. A proxy need not be a shareholder.
4. Where a shareholder is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("**omnibus account**"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, shall be deposited at the registered office at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur or email to ir@shareworks.com.my not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.
6. In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 May 2024 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this meeting.
7. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Securities ("**AMLR**"), all resolutions set out in this notice will be put to vote by way of poll.

Explanatory Note on Ordinary Business

8. **Audited Financial Statements for financial year ended 31 December 2023**

   The audited financial statements are laid in accordance with Section 340(1)(a) of the CA 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

9. **Payment of Directors' Fees and Benefits**

   Section 230 (1) of the Companies Act 2016 provides that the Directors' fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting. The Proposed Ordinary Resolutions 1 and 2 are to facilitate payment of Directors' benefits for the financial year ended 31 December 2023 and financial year ending 31 December 2024. The Proposed Ordinary Resolution 3 is to facilitate payment of Directors' fees and benefits for the financial year ending 31 December 2025.

   In the event the Directors' fees and allowances proposed is insufficient (e.g. due to more meetings), approval will be sought at the next Annual General Meeting for additional fees to meet the shortfall.

10. **Re-election of Directors**

    The Proposed Ordinary Resolution 4 in Agenda 5, if passed, will allow Mr. Cher Lip Chun ("**Mr. Adam Cher**"), to be re-elected and continued acting as Director of the Company. Mr. Adam Cher being eligible, have offered himself for re-election at this AGM pursuant to Clause 165 of the Constitution.

    For the purposes of determining the eligibility of Mr. Adam Cher to stand for re-election at the 24th AGM, the Board of Directors through its Nomination Committee had assessed him, and considered the following:

    (i) His performance and contribution;
    (ii) His skills, experience and strength in qualities;
    (iii) His ability to act in the best in the best interest of the Company in decision-making; and
    (iv) His fitness and propriety with reference to the Directors' Fit and Proper Policy.

    The Proposed Ordinary Resolutions 5, 6 and 7 in Agenda 6, if passed, will allow Mr. Puar Chin Jong ("**Mr. Puar**"), Madam Lew Yen Peng ("**Madam Lew**") and Mr. Cher Lip Ter ("**Mr. Bryan Cher**"), are retiring pursuant to Clause 165 of the Company's Constitution and being eligible, have offered themselves for re-election as Directors at the 24th AGM of the Company. Mr. Puar, Madam Lew are appointed as Independent Non-Executive Directors of the Company with effect from 26 May 2023, whereas Mr. Bryan Cher is appointed as Executive Director of the Company with effect from 1 March 2024. The Board through its Nomination Committee had reviewed and considered their background, skills, knowledge, experience and qualification and assessed the fitness and propriety before approved their appointment.

    The profiles of Mr. Adam Cher, Mr. Puar, Madam Lew and Mr. Bryan Cher are set out in the Directors' Profile section of the Annual Report 2023.

    The Board (with exception of the retiring Directors who abstained) recommended the retiring Directors be re-elected as the Directors of the Company as they have character, experience, integrity, competence and time to effectively discharge their role as a Director of the Company.

11. **Re-appointment of Auditors**

The Audit Committee ("**AC**") had assessed the objectivity, suitability and independence of the External Auditors and recommended the re-appointment of Messrs UHY as External Auditors of the Company for the financial year ending 31 December 2024. The Board has reviewed the recommendation of the AC and recommended the same for the shareholders' approval at the 24th AGM of the Company.

Explanatory Notes on Special Business

12. Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the CA 2016

The Ordinary Resolution 9 is proposed pursuant to Sections 75 and 76 of the CA 2016 for the purpose of obtaining a renewed general mandate ("**General Mandate**"), which if passed, will empower the Directors of the Company to allot and issue new ordinary shares in the Company at any time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors deem fit and in the best interest of the Company. This General Mandate, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next annual general meeting of the Company after the approval was given, or at the expiry of the period within which the next annual general meeting of the Company is required to be held after the approval was given, whichever is earlier.

The General Mandate, if granted, will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisitions.

As at the date of this Notice, no new ordinary shares in the Company were issued pursuant to the general mandate granted to the Directors at the last Annual General Meeting held on 26 May 2023 and it will lapse at the conclusion of the 24th AGM of the Company.

The Board, having considered the current and prospective financial position, needs and capacity of the Group, is of the opinion that the General Mandate is in the best interests of the Company and its shareholders.

Pursuant to Section 85 of the CA 2016 read together with Clause 21 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other securities. Should the existing shareholders of the Company approve the proposed Ordinary Resolution 9, they are waiving their pre-emptive rights pursuant to Section 85(1) of the CA 2016, which then would allow the Directors to issue New Shares to any person without having to offer the said New Shares equally to all existing shareholders of the Company prior to issuance. This will result in a dilution to the shareholding percentage of the existing shareholders of the Company.

FORM OF PROXY

SCC HOLDINGS BERHAD
Registration No. 200001008871 (511477-A)
(Incorporated in Malaysia)

CDS ACCOUNT NO.	
NO. OF SHARES HELD	

I/We ______________________________ (NRIC No./Passport No./Co. No. ______________)
(FULL NAME IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

Email Address ______________________________ Mobile Phone No. ______________

being a member/members of **SCC HOLDINGS BERHAD** ("**Company**"), hereby appoint

Name of Proxy	NRIC No./Passport No.	Proportion of Shareholding to be Represented	
		No of shares	%
Address			
Email Address		Contact No.	

and/or failing him/her

Name of Proxy	NRIC No./Passport No.	Proportion of Shareholding to be Represented	
		No of shares	%
Address			
Email Address		Contact No.	

or failing him/her, the **CHAIRMAN OF THE MEETING** as my/our proxy to vote for me/us on my/our behalf at the 24th Annual General Meeting ("**AGM**") of the Company which will be held at Flamingo 3, Level 7, The Pearl Kuala Lumpur, Batu 5, Jalan Klang Lama, 58000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on **Tuesday**, **28 May 2024** at **2.30 p.m.** or at any adjournment thereof.

	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	Payment of Directors' Benefits for the financial year ended 31 December 2023		
2.	Payment of Directors' Benefits for the financial year ending 31 December 2024		
3.	Payment of Directors' Fees and Benefits for the financial year ending 31 December 2025		
4.	Re-election of Mr. Cher Lip Chun as Director of the Company		
5.	Re-election of Mr. Puar Chin Jong as Director of the Company		
6.	Re-election of Madam Lew Yen Peng as Director of the Company		
7.	Re-election of Mr. Cher Lip Ter as Director of the Company		
8.	Re-appointment of Auditors		
9.	Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016		

(Please indicate with an "X" in the space provided on how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Dated this ________ day of ________________ 2024.

____
Signature(s) of member(s)

Notes:-
1. A shareholder is entitled to appoint a proxy or proxies to exercise all or any of the shareholder's rights to attend, speak and vote at AGM. The proxy appointed shall have the same rights as the shareholders to speak at AGM.
2. If a shareholder appoints more than 1 proxy, they must specify the proportion of the shareholder's shareholdings to be represented by each proxy.
3. A proxy need not be a shareholder.
4. Where a shareholder is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("omnibus account"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, shall be deposited at the registered office at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) or email to ir@shareworks.com.my not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.
6. In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 May 2024 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this meeting.
7. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this notice will be put to vote by way of poll.

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AFFIX
STAMP

The Share Registrar

SHAREWORKS SDN BHD
Registration No.: 199101019611 (229948-U)

No. 2-1, Jalan Sri Hartamas 8,
Sri Hartamas, 50480 Kuala Lumpur,
Wilayah Persekutuan Kuala Lumpur Malaysia.

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