



SCC HOLDINGS BERHAD

200001008871 (511477-A)



Building Sustainable Community

Annual Report 2024

www.scc.com.my

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BUILDING SUSTAINABLE COMMUNITY

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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

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.

Our Core Values

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

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

Cher Lip Chun
Managing Director

Cher Sew Seng
Deputy Managing Director

Cher Lip Ter
Executive Director
(Appointed on 1 March 2024)

Tan Tian Wooi
Independent Non-Executive Director

Puar Chin Jong
Independent Non-Executive Director

Lew Yen Peng
Independent Non-Executive Director

AUDIT COMMITTEE

Tan Tian Wooi (Chairman)
Puar Chin Jong
Lew Yen Peng

NOMINATION COMMITTEE

Puar Chin Jong (Chairman)
Tan Tian Wooi
Lew Yen Peng

REMUNERATION COMMITTEE

Lew Yen Peng (Chairman)
Puar Chin Jong
Cher Lip Chun

COMPANY SECRETARIES

Thong Pui Yee
(MAICSA 7067416) (SSM PC No. 202008000510)
Chang Ngee Chuang
(MAICSA 7077854) (SSM PC No. 201908001421)

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 Malaysia PLT (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Wilayah Persekutuan (KL)
Tel: (603) 2279 3088
Fax: (603) 2279 3099

STOCK EXCHANGE LISTING

ACE Market
Bursa Malaysia Securities Berhad
Listed on 3 August 2010



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)

100%

POSITIVE INSIGHT SDN BHD

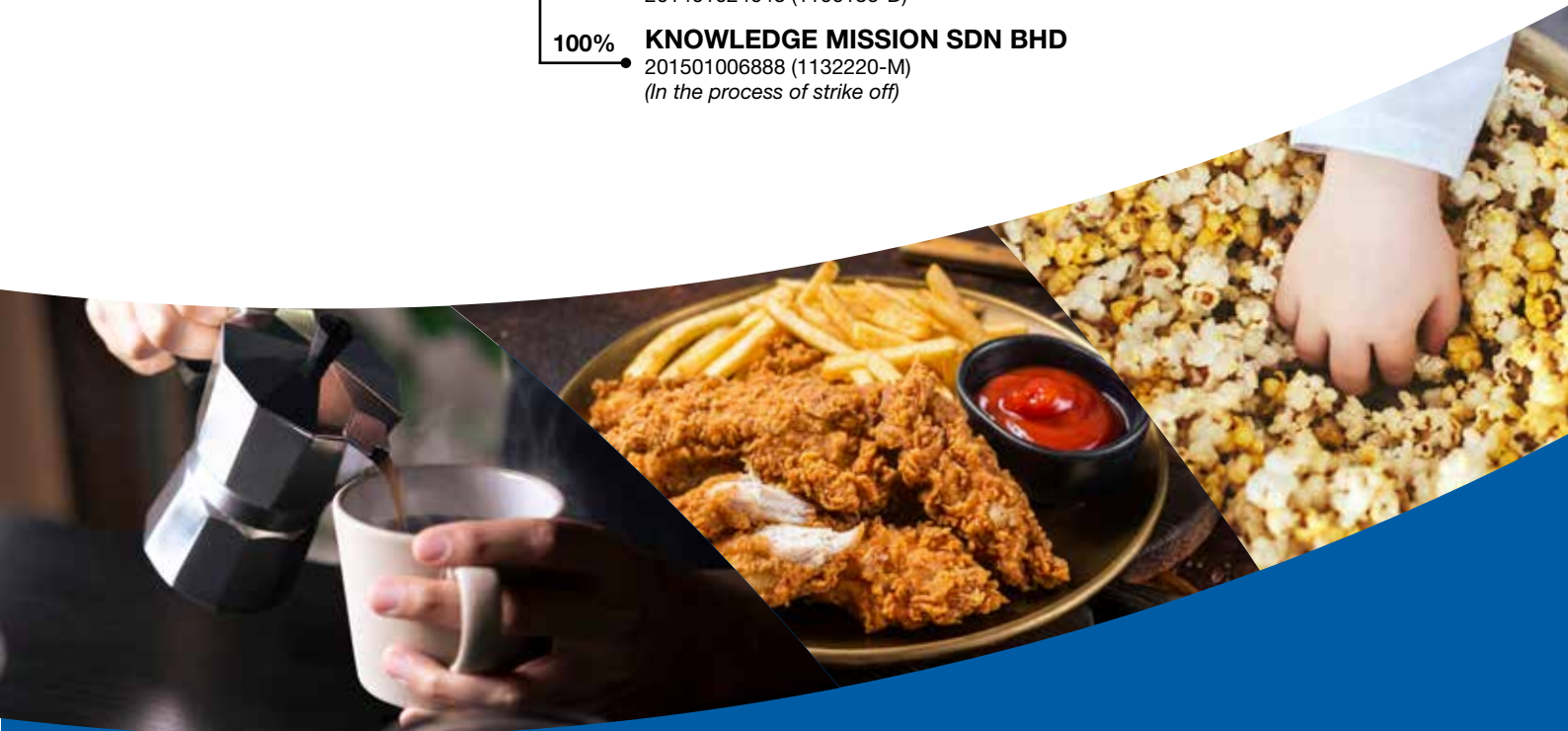
201401024048 (1100136-D)

100%

KNOWLEDGE MISSION SDN BHD

201501006888 (1132220-M)

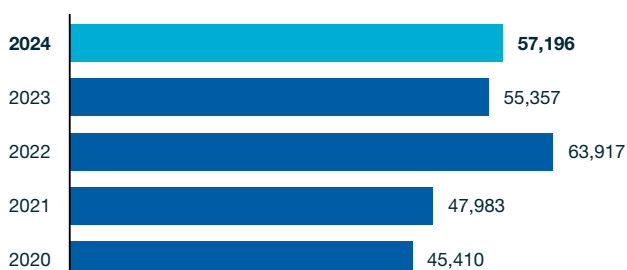
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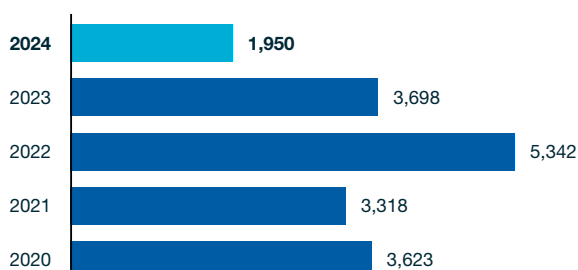
FINANCIAL HIGHLIGHTS

GROUP FIVE-YEAR FINANCIAL SUMMARY					
Financial year ended 31 December	2024	2023	2022	2021	2020
Revenue (RM'000)	57,196	55,357	63,917	47,983	45,410
Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA)(RM'000)"	1,950	3,698	5,342	3,318	3,623
Profit for the Year Attributable to Equity Holders (RM'000)"	340	1,660	2,554	1,730	1,522
Profit for the Year Margin (%)	0.59	3.00	4.00	3.61	3.35
Shareholder's Equity (RM'000)	47,995	47,618	47,394	46,276	44,569
Return on Shareholders' Equity (%)	0.71	3.49	5.39	3.74	3.41
Basic Earnings Per Share (sen)	0.24	1.18	1.81	1.23	1.08
Interim and Special Dividend Per Share (sen)	-	-	1.00	1.00	-
Group PBT (RM'000)	872	2,680	4,363	2,326	2,560
Group PAT (RM'000)	340	1,660	2,554	1,730	1,522
Dividend (RM'000)	-	-	1,412	1,412	-
Dividend Trend*	0.00%	0.00%	55.29%	81.62%	0.00%

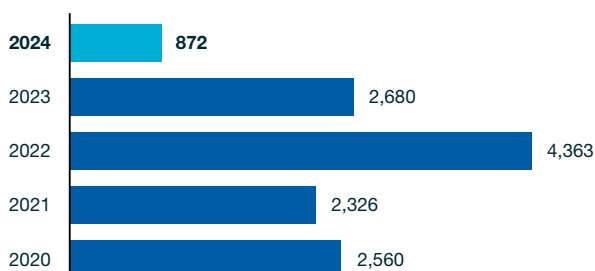
REVENUE (RM'000)



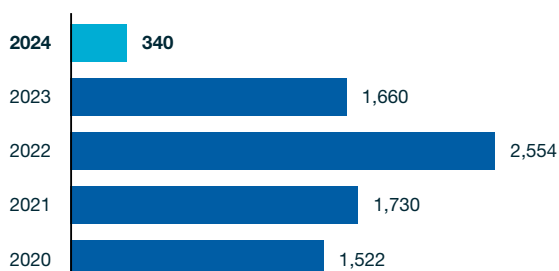
EBITDA (RM'000)



GROUP PBT (RM'000)



GROUP PAT (RM'000)



DATUK WIRA DR. GOY HONG BOON

Non-Independent Non-Executive Chairman

Malaysian, Aged 53, Male

He is currently serving as Chairman of the Board. He was appointed to our Board on 1 April 2010 as an Independent Non-Executive Director, re-designated as a Non-Independent Non-Executive Director on 26 May 2023 and subsequently re-designated as the Non-Independent Non-Executive Chairman on 28 May 2024. He is no longer a member of the Audit and Risk Management Committee and Nomination Committee, as well as the Chairman of the Remuneration Committee effective 28 May 2024.

He is a corporate consultant with three decades of experience in financial, equity capital markets, and information technology. He began his career as a Corporate Finance Manager at an International Investment bank, assisting several large corporations and GLCs in raising capital and funds via international and local financial markets. He was later promoted to Head the division of Corporate Finance and Advisory. Subsequently, he then moved to a leading local financial firm as Vice President for Business Development and Corporate Advisory. Thereafter, he discovered interests in the field of information and communications technology and founded numerous ICT businesses. In addition, he also instituted a consulting business focusing on 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. Furthermore, he possesses a Doctorate (DBA) in Strategic Management. He was awarded the Master of Financial Professional (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.

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 a member of Remuneration Committee since 28 May 2024.

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 20 years of experience in the animal health products and foodservice equipment industries.

He is the nephew of Mr. Francis Cher and brother of Mr. Bryan Cher.

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

DIRECTORS' PROFILE

(CONT'D)

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 co-founder 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 Director in 1976 before being appointed as Managing Director in 1988. Mr. Francis Cher has more than 52 years of experience in the animal health products and foodservice equipment industries.

He is the uncle of Mr. Adam Cher and Mr. Bryan Cher.

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

CHER LIP TER (BRYAN CHER)

Executive Director

Malaysian, Aged 44, Male

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

He joined SCC in year 2001 where he started his career from the position of Sales Executive in Food Service Equipment Division, in charge of HORECA Accounts (Hotel, Restaurants & Café). During these years, he was promoted as Business Development Manager and lead 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 of Business (Marketing) from Hertfordshire university, England.

He is the nephew of Mr. Francis Cher and the brother of Mr. Adam Cher.

He has attended three (3) Board meetings held during the financial year since his appointment.

TAN TIAN WOOL

Independent Non-Executive Director

Malaysian, Aged 54, Male

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

He is a member of the Malaysian Institute of Certified Public Accountants and the Malaysia Institute of Accountants. He currently owned 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 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.

PUAR CHIN JONG

Independent Non-Executive Director

Malaysian, Aged 54, Male

Mr Puar was appointed to our Board on 26 May 2023. He is chairman of our Nomination Committee, member of the Audit and Risk Management Committee and Remuneration Committee.

He obtained his Bachelor of Economics (Business Administration) from University of 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 subsidiary of FACB Resorts Berhad (now known as Karambunai Corporation Berhad), 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”) 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”) 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”) 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 (“S P Setia”) as the Head of Corporate Affairs, Group Corporate Finance Division. During his tenure in S P Setia, he has been tasked to oversee the corporate finance, accounting, treasury, audit and taxation as well as investor relations for S P Setia group of companies. He left S P Setia 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. As at the LPD, he is the Independent Non-Executive Director of Kucingko Berhad, a public listed company on ACE Market of Bursa Securities and Heng Hup Holdings Limited, a company listed on the Hong Kong Stock Exchange.

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

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 48, Female

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

Ms. Lew 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 all five (5) Board meetings held during the financial year.

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

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, 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:

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 assisting the Managing Director in the overall business strategies and management. Further details of him can be found in the Directors' profile on page 6 of this Annual Report.

CHER LIP TER (BRYAN CHER)

Malaysian, Aged 44, Male

Mr. Bryan Cher currently holds the position of Executive Director of the Group. He is responsible for overseeing the foodservice business operation and products research and development management of the Group. Further details of him can be found in the Directors' profile on page 6 of this Annual Report.

Other Information

a. Directorship of Public Companies and Listed Issuers

None of key senior management hold any directorships in other Public companies and listed companies.

b. Conflict of Interest

None of key senior management have any conflict of interests with SCC Holdings Berhad or its subsidiaries.

c. Conviction of Offences

None of the key senior management have been convicted for any offence within 5 years and has not been imposed with any public sanction or penalty by the relevant bodies during financial year other than traffic offences, if any.

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 2024 (“FYE2024”) are divided into three distinctive business segments and there are no changes since the year before.

The Foodservice 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. Furthermore, FSED has expanded its operations and business reach into Cambodia.

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.

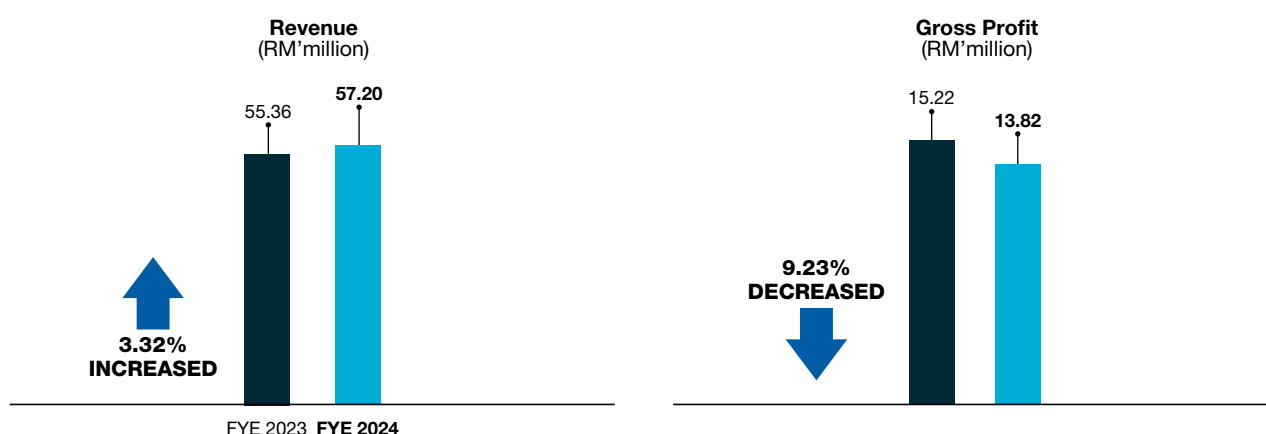
Last but not least, the Food Manufacturing Division (“SCCFM”) complements FSED by manufacturing food premixes and ingredients, supplying to FSED’s customers and producing consumer food products to be marketed directly to end consumers, and serving not only the domestic market but also international markets.

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

In FYE2024, the biggest challenges we face are ongoing geopolitical conflict in the Middle East and the weakness of the Malaysian Ringgit. Unfavorable United States Dollar (“USD”) exchange rates drove up our cost and heated competitions from the competitors drove down our margins. These challenges have negatively impacted our performance in FYE2024. For a full and in-depth assessment, we respectfully direct you to the segment business review.

Review on Statement of Comprehensive Income



In FYE2024, the Group achieved a revenue of RM 57.20 million, an increase from RM 55.36 million in the previous year, representing a growth of approximately 3.32%. This growth was mainly driven by our success in securing overseas orders throughout the year. However, our gross profit experienced a significant decline, reflecting a downturn in overall financial performance. Gross profit decreased by approximately 9.23%, from RM 15.22 million in FYE2023 to RM 13.82 million in FYE2024, primarily due to geopolitical instability.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

Geopolitical instability has caused our suppliers to raise their prices, which has had a significant impact on our gross profit. Unfortunately, we were unable to adjust our prices quickly enough to reflect these increased costs, resulting in a delay that further strained our financial performance. Additionally, fluctuations in foreign exchange rates have further impacted our gross profit, as we hold imported stock from overseas, which exposes us to the risks associated with currency volatility.

As indicated above, our net profit has also seen a significant decline approximately 67.46% from 2.68 million in FYE2023 to RM 0.87 million in FYE2024.

Review on Statement of Financial Position

The Group's non-current assets have increased to RM 6.74 million from RM 6.52 million mainly due to increase in other investments. In line with our strategic objective to achieve a higher and more stable rate of return, we have diversified our portfolio by investing in various low risk financial instruments. This move is intended to enhance long-term financial growth and ensure consistent returns.

However, inventories decreased significantly as we have focused on reducing excess inventory levels that were addressed in the previous year. The initiative is expected to continue in the following year with a continued emphasis on streamlining inventory to reduce slow moving stocks and avoid the risk of obsolete stock.

WORKING CAPITAL, LIQUIDITY

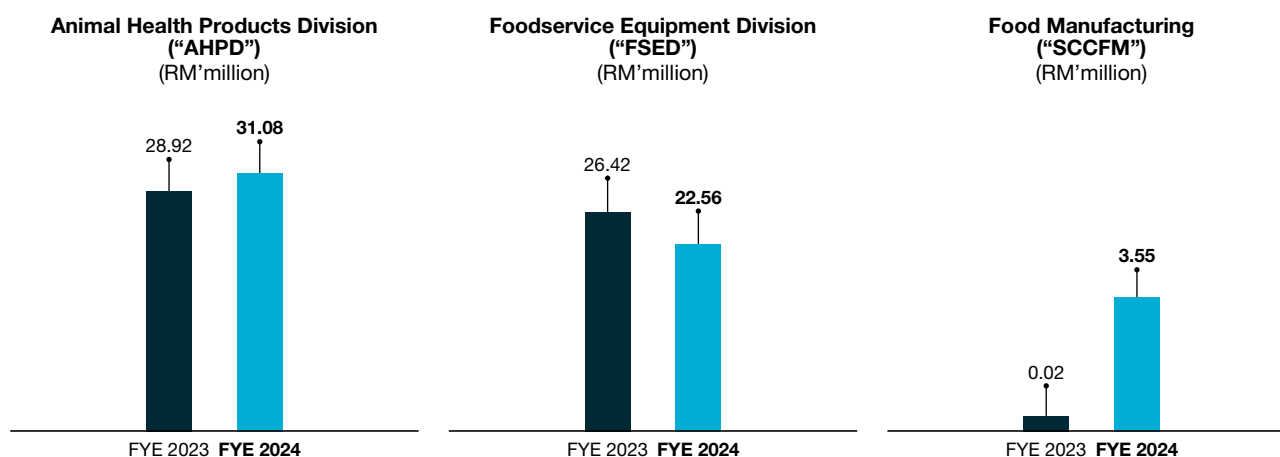
The Group maintains a robust working capital ratio as it continues its prudent policy on working capital management.

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 Company proposed a single tier final dividend of RM 0.01 per ordinary share amounted to RM1,411,601.40 in respect of the FYE2024.

SEGMENTAL BUSINESS REVIEW / REVIEW OF OPERATING ACTIVITIES



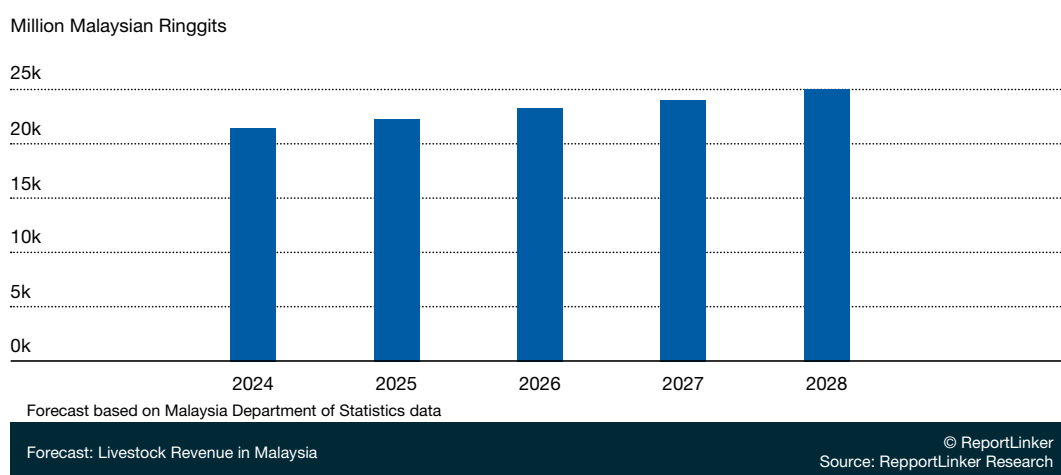
MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

AHPD

AHPD contributed 54.35% of the total revenue of the Group in FYE2024, reflecting a significant increase in sales, from RM 28.92 million to RM 31.08 million. The improved performance mainly due to growing demand for our pathogen control products, which aligned with the higher demand for animal feed and animal health products.

The livestock industry is expected to continue its growth trajectory, with revenue forecasted to reach approximately RM21.71 billion in 2024. This sector is projected to experience a compound annual growth rate (CAGR) of 3.13% over the next five years, reflecting a steady expansion. In parallel, the animal feed market is also poised for growth, with a CAGR of 2.30% anticipated between 2025 and 2034. By 2034, the market is expected to reach a volume of around 8.6 million tons, driven by the increasing demand for animal feed products. These trends highlight a favorable outlook for industries related to livestock and animal feed, positioning our product within a growing and dynamic market.



The division will continue to source new quality products to complement its existing range of products to enhance its product portfolio and coming up with innovative promotional plans to increase sales.

FSED

FSED division dropped in revenue of RM 3.9 million or 14.6% compared to the previous year and contribute 39.44% of total Group's revenue. The poor performance of FSED in FYE2024, primarily due to the ongoing geopolitical conflict in the Middle East. This situation has significantly impacted on consumer sentiment negatively, and affected the international chain restaurant performance in the F&B sector. Notably, several famous fast-food restaurants in Malaysia closed down more than 100 outlets due to the incidents, further exacerbating the unfavorable international chain performance, which also directly impacted our FSED sales.

We are confident that our performance will gradually improve and return to a path of growth in the coming years. We will shift our focus toward domestically owned F&B players, with an emphasis on sourcing higher-quality products and improving cost efficiency. Additionally, we expect gradual improvements in consumer sentiment as the geopolitical situation stabilizes, which could likely lead to increased demand on our products

SCCFM

The food manufacturing division has seen a remarkable improvement in 2024, revenue has increased significantly from RM 0.02 million to RM 3.55 million, mainly due to the larger contribution from international markets as we successfully promote our caramel products to overseas. For years, this division primarily focused on domestic sales and marketing to companies within the Group, however this year marked a shift in strategy. Additionally, we have expanded our offerings by providing OEM products to customers, which has further enhanced our revenue growth and broadened our market reach.

We believe that in the coming years, overseas orders will continue to drive revenue growth, as we have received positive responses for our in-house developed caramel products from both domestically and internationally.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

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 the late delivery products to customer and hence, we 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 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 is exposed to credit risk arises primarily from trade receivable, which have been affected by the ongoing geopolitical conflict, potentially impacting the ability of customers to settle their outstanding debts.

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.

FUTURE PROSPECTS AND OUTLOOK

In light of ongoing geopolitical tensions, economic challenges, and unfavorable foreign exchange rates, the Group remains cautiously optimistic about its future prospects. While these factors may continue to introduce uncertainties, the Group is strategically focusing on domestically owned F&B players and placing greater emphasis on its own brand products. This approach is expected to drive higher revenue and profit, as we maintain full control over costs.

By adapting to market changes and exploring new growth opportunities, the Group is committed to navigate these challenges and position itself for long-term success in an evolving global landscape.

The Board of Directors remains cautiously optimistic on the prospects of the financial performance of the Group, moving forward.

SUSTAINABILITY STATEMENT

INTRODUCTION

SCC Holdings Berhad (“SCC” or “the Group”) started by supplying antibiotic veterinary chemicals, supplements, and growth promoters for livestock feed in Malaysia through its Animal Health Products Division (AHPD). Initially sourcing from China, the company began importing products from the USA and South Korea in 1974 to ensure better quality and reliability.

By 1990, SCC shifted its focus to “clean feed” solutions, exclusively offering non-antibiotic feed additives. These products help promote healthier livestock, safer meat, and better returns for farmers through programmes like the “Clean Feed Programme,” which enhances livestock growth and reduces costs naturally.

In 1978, SCC launched the FoodService Equipment Division (FSED) to distribute equipment like ovens and fryers. This move was inspired by the founders’ experience in the fast-food industry, helping food operators and businesses improve efficiency.

In 1984, SCC introduced antimicrobial products for animal feeds and later established Anitox (M) Sdn Bhd in 1991 to focus on advanced liquid solutions.

Over the years, SCC has earned several awards, including the prestigious Golden Bull Award in 2008 and 2009, recognizing its excellence among Malaysian SMEs.

SCOPE OF BOUNDARIES

The materiality and sustainability reporting for SCC cover the following divisions:

Divisions	
Food Service Equipment Division (FSED)	Animal Health Product Division (AHPD)
Focuses on the sourcing, distribution, and maintenance of equipment related to food service industries.	Deals with the importation, formulation, and distribution of animal health products, including pathogen controls, natural growth supplements and non-antibiotics feed additives.



FOODSERVICE EQUIPMENT





ANIMAL HEALTH PRODUCTS



REPORTING TIME FRAME

This report is prepared in accordance with key sustainability frameworks, including the Bursa Malaysia Sustainability Reporting Guidelines, the Global Reporting Initiative (GRI) Standards, and the Task Force on Climate-Related Financial Disclosures (TCFD). The Bursa guidelines ensure compliance with local regulatory requirements, while the GRI standards provide a globally recognized framework to disclose performance in areas such as resource efficiency, supply chain practices, and employee well-being. Additionally, alignment with TCFD recommendations supports the identification and disclosure of climate-related risks and opportunities, ensuring transparency in governance, strategy, and risk management.

The reporting period for this document covers January to December, providing a full calendar year overview of SCC's sustainability initiatives and performance. The objective of this report is to demonstrate SCC commitment to transparency, accountability, and sustainable business practices. By addressing material issues relevant to both divisions, the report reflects SCC Holdings' dedication to creating long-term value, meeting stakeholder expectations, and aligning with global best practices in sustainability.

ASSURANCE

SCC ensures the accuracy and transparency of our FYE 2024 sustainability report by aligning with Bursa Malaysia Guidelines, GRI Standards, and TCFD recommendations. We employ rigorous internal reviews and independent assessments to validate our data, ensuring it reflects our sustainability impacts, risks, and opportunities.

This commitment to assurance reinforces stakeholder trust and supports our dedication to accountability and continuous improvement.

SUSTAINABILITY STATEMENT

(CONT'D)

SUSTAINABILITY APPROACH

SCC is a diversified company committed to sustainability and integrating environmental, social, and governance (ESG) factors into its business practices. Here's an overview of SCC's approach to sustainability:

Key Aspects	Descriptions
Environmental Responsibility	<p>SCC focuses on reducing its environmental footprint by:</p> <ul style="list-style-type: none"> • Energy Efficiency: Implementing energy-saving technologies in its operations, such as using renewable energy sources, improving energy efficiency in manufacturing, and reducing waste. • Green Products and Services: Innovating and offering products that contribute to a circular economy and environmental sustainability, such as eco-friendly packaging and sustainable building materials. • Carbon Emissions: Setting clear targets for reducing greenhouse gas emissions, both in direct operations and in the supply chain.
Social Impact	<p>SCC is committed to the well-being of its stakeholders, including employees, communities, and customers:</p> <ul style="list-style-type: none"> • Employee Welfare: Providing a safe and inclusive workplace with fair labor practices, and supporting employee development through training and well-being programs. • Community Engagement: Contributing to local communities through social initiatives, educational programs, and charity partnerships, with a focus on improving quality of life. • Health and Safety: Prioritizing the health and safety of both employees and customers, with rigorous safety standards and measures.
Governance and Ethical Practices	<p>Good governance is at the core of SCC's sustainability strategy:</p> <ul style="list-style-type: none"> • Ethical Conduct: Adhering to the highest standards of business ethics, ensuring transparency, accountability, and integrity in all dealings. • Supply Chain Sustainability: Working with suppliers and partners who share SCC's commitment to sustainability and ethical practices, ensuring responsible sourcing and labor practices. • Compliance: Meeting regulatory requirements related to environmental protection, human rights, and corporate governance.
Innovation and Research	<p>SCC invests in research and innovation to foster sustainable solutions in its products and services. This includes:</p> <ul style="list-style-type: none"> • Developing new technologies that help reduce environmental impact. • Investing in sustainable product designs and improving lifecycle management. • Incorporating sustainability into product development to meet the growing demand for eco-conscious goods.
Long-Term Vision and Sustainability Reporting	<p>SCC is dedicated to transparency and regularly reports on its sustainability progress:</p> <ul style="list-style-type: none"> • Sustainability Reporting: Regularly publishing reports to stakeholders detailing its ESG efforts, progress toward sustainability goals, and areas of improvement. • Sustainable Development Goals (SDGs): Aligning business strategies with the United Nations' Sustainable Development Goals to contribute positively to global sustainability.

Through these initiatives, SCC aims to be a responsible corporate entity, balancing economic growth with social responsibility and environmental stewardship.



Sustainability is more than commitment. It reflects SCC's core values and the foundation of our business practices. We pledge to uphold ethical and responsible operations that drive sustainable growth while safeguarding the environment and enhancing the well-being of the communities we serve.

Guided by integrity, we are dedicated to conducting our business with transparency and accountability, ensuring that every decision we make considers its impact on people and the planet. Rooted in collaboration, we actively engage with our stakeholders, including employees, customers, and partners, to foster meaningful partnerships that create lasting value. Through continuous improvement, we strive to innovate and implement sustainable solutions that contribute to a greener, more equitable future.

Our sustainability efforts encompass reducing environmental impacts across our operations, promoting responsible sourcing, and advancing community empowerment initiatives. Together with our stakeholders, we are committed to embedding sustainability into our core strategies and operations, ensuring resilience in the face of challenges and progress toward a better, more sustainable future.

OUR ALIGNMENT WITH SDG GOALS



SUSTAINABILITY STATEMENT

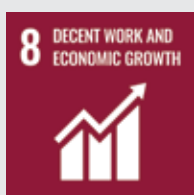
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UN SDG Goals



SDG 7: Affordable and Clean Energy

SCC is dedicated to adopting energy-efficient processes and exploring renewable energy solutions to reduce its environmental footprint. Aligning with SDG 7 reflects the company's commitment to advancing clean energy solutions and minimizing dependence on non-renewable energy sources.



SDG 8: Decent Work and Economic Growth

SCC prioritizes employee welfare, fair labor practices, and sustainable economic growth. By fostering innovation and ensuring a safe, inclusive, and fair workplace, the company contributes to promoting decent work and robust economic development.



SDG 9: Industry, Innovation, and Infrastructure

With its focus on delivering innovative products and services, SCC supports sustainable industrialization and infrastructure improvements. This aligns with SDG 9 by contributing to economic resilience and promoting technological advancements that enhance sustainability.



SDG 11: Sustainable Cities and Communities

Through its initiatives, SCC can play a role in building sustainable communities by adopting eco-friendly practices, improving resource efficiency, and contributing to urban resilience through community engagement and development.



SDG 12: Responsible Consumption and Production

SCC actively works on reducing waste, improving resource efficiency, and adopting sustainable production practices. By embedding circular economy principles into its operations, the company aligns with SDG 12, promoting sustainability across its value chain.



SDG 13: Climate Action

Recognizing the urgent need for climate action, SCC is committed to reducing greenhouse gas emissions and implementing energy-efficient practices. Aligning with SDG 13 ensures the company contributes to global efforts to combat climate change.



SDG 17: Partnerships for the Goals

SCC Holdings Berhad believes in the power of collaboration. By partnering with organizations, governments, and stakeholders, the company amplifies its impact and aligns with SDG 17 to achieve sustainable development goals effectively.

MOVING FORWARD WITH PURPOSE







SCC is committed to integrating sustainability into every aspect of our operations, guided by our core values of integrity, collaboration, and continuous improvement. We strive to reduce our environmental impact, promote ethical sourcing, and empower communities, ensuring our growth aligns with responsible and sustainable practices.

By fostering strong partnerships and embracing innovation, we aim to create long-term value for stakeholders while championing sustainability as a shared responsibility. With purpose and vision, we are dedicated to building a future where business success and sustainability go hand in hand.

STAKEHOLDER ENGAGEMENT

SCC continues to prioritize stakeholder engagement as an integral part of our sustainability efforts for FYE 2024. Through meaningful interactions, we gain valuable insights that shape our strategies and strengthen relationships with stakeholders. In line with our commitment to transparency and accountability, the Group's engagement program encompasses diverse initiatives tailored to meet the needs of our stakeholders.

Key activities include regular meetings with suppliers, customers, and other stakeholders to discuss shared goals and concerns. Additionally, SCC organizes annual general meetings (AGMs) to provide shareholders with updates and facilitate open dialogue. The Investor Relations Website serves as a dedicated platform for delivering real-time updates and fostering communication. These initiatives align with our sustainability goals, ensuring accountability, collaboration, and shared progress toward a sustainable future.

Stakeholder Group	Engagement Methods	Purpose	Frequency
 Suppliers	Regular meetings and discussions	Foster ethical sourcing, discuss operational needs	Annually
 Customers	Feedback sessions, service evaluations	Improve customer satisfaction and address concerns	Monthly/Quarterly
 Shareholders	Annual General Meetings (AGMs), IR Website	Provide updates on performance and sustainability	Annually/Quarterly
 Employees	Internal surveys, town hall meetings	Enhance workplace culture and address staff needs	Monthly/Quarterly
 Local Communities	Community outreach programs	Contribute to social and environmental well-being	Quarterly/Annually
 Regulators	Compliance reporting, consultations	Ensure adherence to regulations and standards	Annually/As Required

SUSTAINABILITY STATEMENT

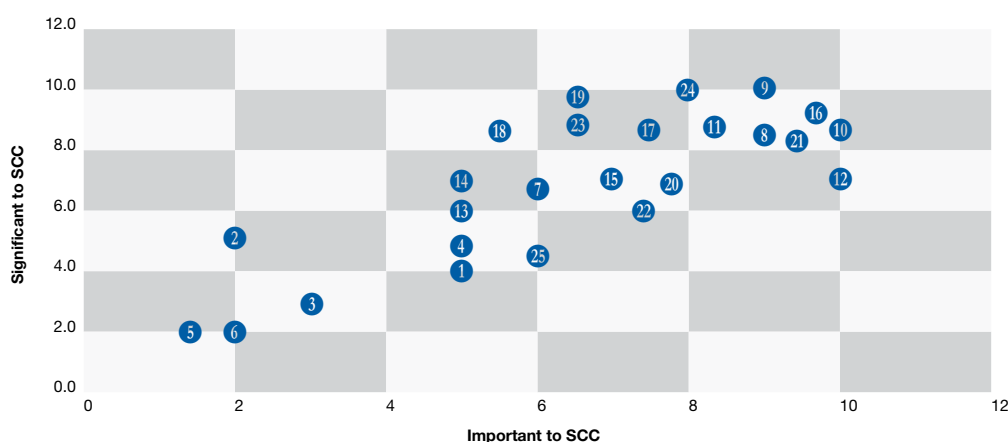
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MATERIALITY ASSESSMENT

At SCC, our materiality assessment is a cornerstone of our sustainability strategy, enabling us to identify and prioritize the economic, environmental, and social issues that matter most to our business and stakeholders. By systematically evaluating these issues, we align our operations with stakeholder expectations and industry best practices, ensuring a focused approach to sustainability.

This process involves engaging with key stakeholders, analyzing industry trends, and assessing our business impacts to determine material topics that guide our strategies and reporting. The results of the assessment not only drive informed decision-making but also reinforce our commitment to accountability, transparency, and long-term value creation.

MATERIALITY MATRIX



Indicators					
1	Economic Performances	10	Emissions Discharge	18	Non-Discrimination policy
2	Market Presence	11	Effluents and Waste practices	19	Child Labour and Forced Labor
3	Indirect Economic Impacts	12	Environmental compliance	20	Security practices
4	Procurement Practices	13	Ethical Supplier Assessment	21	Human Rights
5	Monopoly of Market	14	Supporting the Local Communities	22	Supporting Local communities
6	Tax Transparency	15	Labour Management and Relationship	23	Supplier Social Assessment Rules and Regulations
7	Source of Raw Materials	16	Occupational Health and Safety	24	Employee Health and Safety Program
8	Energy Practices	17	Training and Staff Development	25	Customer Privacy regulations/data protection
9	Water Effluent system				

Through our materiality assessment, SCC ensures we address the most relevant and impactful issues, paving the way for sustainable growth and a resilient future.

SUSTAINABILITY GOVERNANCE

SCC recognizes that effective sustainability governance is essential to achieving its environmental, social, and governance (ESG) objectives. While the company has not yet established a dedicated Sustainability Committee, sustainability oversight is integrated into its overall governance structure, ensuring alignment with corporate goals and regulatory requirements.

The Board of Directors plays a pivotal role in setting the strategic direction for sustainability and monitoring its implementation. Senior management is responsible for identifying material sustainability issues, assessing risks and opportunities, and embedding sustainable practices into the company's operations.

Guided by its core values of integrity, collaboration, and continuous improvement, SCC remains committed to accountability and transparency in achieving its sustainability targets. As the company progresses, it aims to strengthen its governance framework to drive long-term value creation for stakeholders while contributing to a more sustainable future.

ETHICAL PRACTICES AT SCC HOLDINGS BERHAD

SCC is steadfast in upholding the highest standards of ethics, integrity, and respect for human rights across all aspects of its operations. This commitment is embedded in our policies and practices, which are designed to foster accountability, trust, and sustainable business conduct.

Our Anti-Bribery and Anti-Corruption Policy ensures full compliance with regulatory requirements, prohibiting any form of bribery or corrupt practices within our operations. To further promote transparency, we have established a Whistleblowing Policy, offering employees and stakeholders a secure and confidential channel to report unethical behavior or misconduct without fear of retaliation.

SCC also prioritizes Fair Labor Practices, ensuring a workplace free from discrimination, forced labor, child labor, or any form of human rights violations. Our commitment to Data Privacy includes robust measures to safeguard personal and business information from unauthorized access, with comprehensive Data Breach Response Protocols in place to mitigate risks swiftly and ensure legal compliance.

Through these ethical practices, SCC demonstrates unwavering dedication to responsible governance, fostering a culture of integrity, inclusivity, and transparency.

ANTI BRIBERY AND ANTI CORRUPTION

To be committed in term of maintaining the highest standards of integrity and ethical behavior in all its business dealings. The company strictly enforces a zero-tolerance policy on bribery and corruption, ensuring compliance with the Malaysian Anti-Corruption Commission (MACC) Act 2009 and other relevant regulations.

Our Anti-Bribery and Anti-Corruption Policy prohibits offering, giving, soliciting, or receiving any form of bribes or improper advantages. This policy applies to all employees, directors, and third parties acting on behalf of SCC, covering interactions with customers, suppliers, regulators, and other stakeholders.

To support this commitment, SCC provides regular training and communication on anti-corruption practices, ensuring that employees understand their roles in safeguarding ethical standards. Additionally, robust internal controls and monitoring mechanisms are in place to identify and address any risks related to bribery and corruption. Through these efforts, SCC fosters a culture of transparency, accountability, and trust in all aspects of its operations.

Anti Bribery and Anti-Corruption	FYE 2022	FYE 2023	FYE 2024
Percentage of employees who have received training on anti-corruption by employee category	100%	100%	100%
Percentage of operations assessed for corruption-related risks	0	0	0
Confirmed incidents of corruption and action taken	0	0	0

SUSTAINABILITY STATEMENT

(CONT'D)

WHISTLEBLOWING POLICY

Promoting a culture of transparency, integrity, and accountability is a commitment for SCC. To support this commitment, the company has established a **Whistleblowing Policy** that provides a confidential and secure channel for employees, stakeholders, and other parties to report any unethical conduct, policy violations, or legal non-compliance.

The policy ensures that concerns such as fraud, corruption, harassment, or other misconduct can be raised without fear of retaliation. SCC protects the identity of whistleblowers and ensures they are safeguarded against any form of discrimination or reprisal for reporting in good faith.

All reports are handled with impartiality and reviewed by the designated whistleblowing committee, ensuring appropriate actions are taken to address the issues raised. This policy underscores SCC dedication to upholding ethical practices and fostering trust with all stakeholders. Reports can be made anonymously through designated whistleblowing channels.

- Letter: No. 2-1 Jalan Sri Hartamas 8, Sri Hartamas 50480 Kuala Lumpur. Wilayah Persekutuan (KL).

FAIR LABOUR PRACTICE

SCC is dedicated to maintaining a workplace that upholds **fair labor practices** and respects **human rights** across all its operations. Our policies are designed to ensure equality, non-discrimination, and inclusivity, fostering a safe and supportive environment for all employees.

Over the past three financial years, SCC has demonstrated its commitment to these principles, with **no substantiated complaints concerning human rights violations** reported. This reflects our proactive efforts in adhering to fair labor standards, prohibiting forced labor, child labor, or any form of exploitation, and ensuring compliance with local and international regulations.

“
**SCC HAD ZERO SUBSTANTIATED COMPLAINTS
CONCERNING HUMAN RIGHTS VIOLATIONS ACROSS
THREE FINANCIAL YEARS**
”

SCC will continue to prioritize fair treatment of its workforce, promoting dignity, respect, and ethical practices as fundamental components of its corporate values and operational excellence.

DATA PRIVACY AND DATA BREACH

SCC prioritizes the protection of personal and business data as a fundamental part of its commitment to ethical practices and stakeholder trust. The company adheres to stringent **Data Privacy** policies aligned with applicable data protection laws, ensuring that sensitive information is collected, stored, and processed securely and responsibly.

To safeguard data, SCC implements robust cybersecurity measures, including regular audits, employee training, and advanced technology to prevent unauthorized access, misuse, or breaches. In the event of a **Data Breach**, the company follows a structured response plan to mitigate risks, address vulnerabilities, and notify affected parties and regulators promptly, as required by law.

By prioritizing data privacy and maintaining strong breach management protocols, SCC upholds its commitment to transparency, accountability, and stakeholder trust in the digital age.

Data Privacy and Data Breach	FYE 2022	FYE 2023	FYE 2024
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0

ECONOMIC VALUE CREATION AND DISTRIBUTION AT SCC HOLDINGS BERHAD

SCC is dedicated to creating and distributing economic value in ways that drive sustainable growth while benefiting stakeholders and the communities we serve. Through responsible business practices, we aim to generate value that supports our operations, employees, shareholders, and broader societal development.

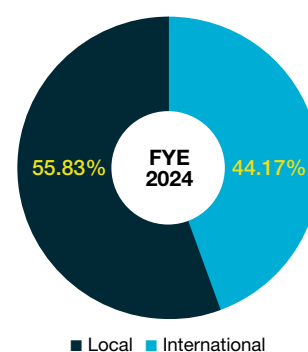
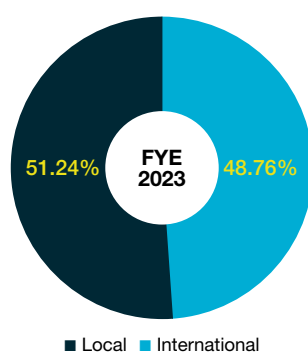
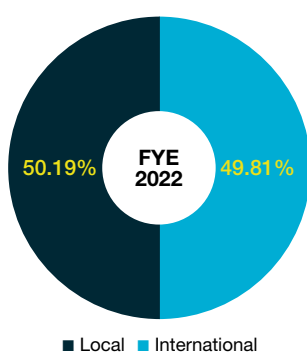
Our approach to **Economic Value Creation and Distribution (EVG&D)** involves reinvesting in our business for innovation and growth, providing fair compensation to employees, delivering returns to shareholders, and contributing to local economies through taxes and community investments. By ensuring transparency in how we generate and allocate resources, we reinforce trust with stakeholders and align our activities with long-term sustainability goals.

Item	Stakeholder	2024 RM'000	2023 RM'000
Revenue from the sale of goods		55,941,776	54,145,401
Revenue from providing services		1,253,543	1,211,444
Revenue from financial investments		467,085	275,269
Other Operating Income		435,635	622,144
Direct economic value generated		58,098,039	56,254,257
Economic Value Distributed			
Operating Expenses	Suppliers and Contractors	47,773,766	44,306,782
Wages and other payments to employees	Employees	9,152,099	9,341,798
Payments to providers of capital			
Payment to financial institutions		117,500	58,390
Payment to shareholders	Shareholders and Investors	-	-
Payment to creditors		47,773,766	44,306,782
Payment to Government including income tax expenses	Government Authorities	569,260	1,020,186
Community Investment	Local Communities		
Economic Value Distributed			
Economic Value Retained		7,598,750	8,818,433

This commitment reflects SCC's role as a responsible corporate citizen, focused on fostering shared prosperity and advancing economic resilience for a better future.

SUPPLY CHAIN MANAGEMENT

SCC remains committed to optimizing its supply chain by balancing local and international sourcing to ensure efficiency, quality, and sustainability. Over the past three financial years, there has been a gradual shift toward local procurement, reflecting the Group's efforts to support domestic suppliers and reduce supply chain risks.



SUSTAINABILITY STATEMENT (CONT'D)

From FYE 2022 to FYE 2024, the percentage of local sourcing increased from 50.19% to 55.83%, while international sourcing declined from 49.81% to 44.17%. In terms of value, total procurement fluctuated, but the trend indicates greater reliance on local suppliers, with RM22.92 million spent on local procurement in FYE 2024, compared to RM19.38 million in FYE 2023.

Foodservice Equipment Division

The Foodservice Equipment Division has historically relied heavily on international suppliers, but in recent years, there has been a notable increase in local procurement. The percentage of local sourcing grew from 19.95% in FYE 2022 to 28.08% in FYE 2024, demonstrating SCC's efforts to diversify its supplier base. However, international procurement remains dominant, accounting for 71.92% of total sourcing in FYE 2024.

SCC Food Manufacturing Sdn Bhd

This division has a strong preference for local sourcing, maintaining nearly 100% local procurement in FYE 2022 and FYE 2024. In FYE 2023, there was a temporary increase in international sourcing (19.11%), but the division has since reverted to sourcing almost entirely from domestic suppliers.

Animal Health Product Division

The Animal Health Product Division has maintained a relatively balanced supply chain strategy. While local sourcing accounted for 80.46% in FYE 2022, it dropped to 64.17% in FYE 2023 and remained stable at 64.71% in FYE 2024. This shift suggests a growing reliance on international suppliers, likely due to specialized products or raw materials that are not readily available locally.

SCC continues to strengthen its local supply chain while strategically sourcing internationally where necessary. The Foodservice Equipment Division is gradually increasing its reliance on local suppliers, while SCC Food Manufacturing remains almost fully dependent on domestic sourcing. Meanwhile, the Animal Health Product Division maintains a balanced approach to ensure product availability and quality. Moving forward, SCC aims to further enhance supply chain resilience, cost efficiency, and sustainability by fostering stronger relationships with local and international partners.

SOCIAL MATTERS

SCC places significant emphasis on addressing social matters as part of its commitment to sustainability and corporate responsibility. The Group prioritizes creating a positive impact on employees, communities, and stakeholders through initiatives that foster inclusivity, well-being, and social development.

Employee welfare and development are central to SCC's approach, with policies promoting fair labor practices, diversity, non-discrimination, and a safe working environment. The company invests in employee training and career development programs to enhance skills and support personal growth. Additionally, SCC ensures compliance with human rights standards, maintaining a workplace free from violations such as forced labor and child labor.

In the broader community, SCC supports social initiatives that address local needs and contribute to societal well-being. From engaging in community development projects to supporting local businesses through increased procurement, SCC remains committed to uplifting the communities it serves. Through these efforts, SCC reinforces its role as a responsible corporate citizen, driving positive social change while fostering trust and collaboration with stakeholders.

EMPLOYEE WELFARE AND DEVELOPMENT

SCC is deeply committed to fostering a workplace environment that prioritizes employee welfare and supports professional growth. The company recognizes that its employees are its most valuable asset and invests in initiatives that promote well-being, inclusivity, and development.

SCC upholds **fair labor practices**, ensuring competitive compensation, equal opportunities, and a workplace free from discrimination or harassment. A strong focus is placed on creating a safe and healthy work environment, with occupational health and safety measures continuously improved to safeguard employee well-being.

To support growth and development, SCC provides ongoing **training and upskilling programs**, enabling employees to enhance their skills and achieve their career goals. These initiatives are designed to align with both personal aspirations and organizational objectives, fostering a culture of continuous learning.

Through its dedication to employee welfare and development, SCC builds a motivated, skilled, and engaged workforce, contributing to both individual success and the company's sustainable growth.

OCCUPATIONAL SAFETY AND HEALTH

SCC prioritizes the safety and health of its employees, recognizing that a secure and healthy workplace is fundamental to operational excellence and employee well-being. The company is committed to adhering to stringent safety standards and implementing proactive measures to prevent workplace hazards.

Comprehensive **occupational health and safety policies** are in place, ensuring compliance with regulatory requirements and industry best practices. Regular safety audits, risk assessments, and employee training programs are conducted to enhance awareness and preparedness in managing potential risks.

“
SCC HAD ZERO CASE WORK RELATED FATALITY
ACROSS THREE FINANCIAL YEARS
”

Safety and Health	FYE 2022	FYE 2023	FYE 2024
Number of work-related fatalities	0	0	0
Lost time incident rate (“LTIR”)	0	0	0
Number of employees trained on health and safety standards	0	0	0

In addition to physical safety, SCC emphasizes the importance of **employee well-being**, promoting mental health and overall wellness through various support initiatives. By fostering a culture of safety and health, SCC ensures a productive, resilient, and engaged workforce, reinforcing its dedication to responsible and sustainable business practices.

SUSTAINABILITY STATEMENT

(CONT'D)

TRAINING AND DEVELOPMENT

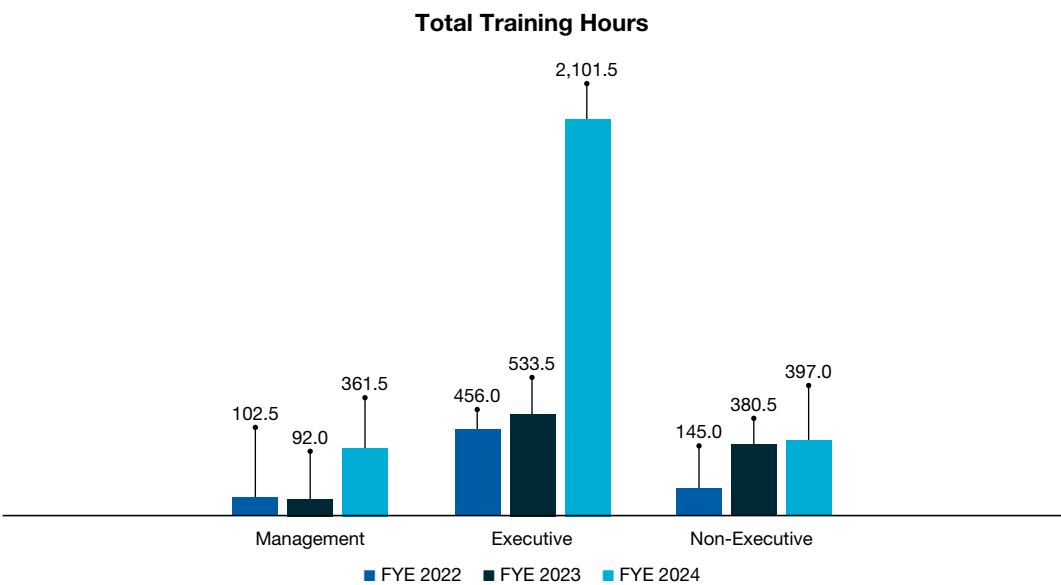
SCC is committed to fostering a culture of continuous learning and professional growth through comprehensive training and development programs. These initiatives are designed to empower employees, enhance their skills, and align their growth with the company’s strategic goals.

The company provides tailored training programs that address both technical expertise and soft skills, ensuring employees are well-equipped to adapt to industry advancements and evolving business needs. From on-the-job training to external workshops and certifications, SCC supports a variety of learning opportunities that promote knowledge enhancement and career progression.



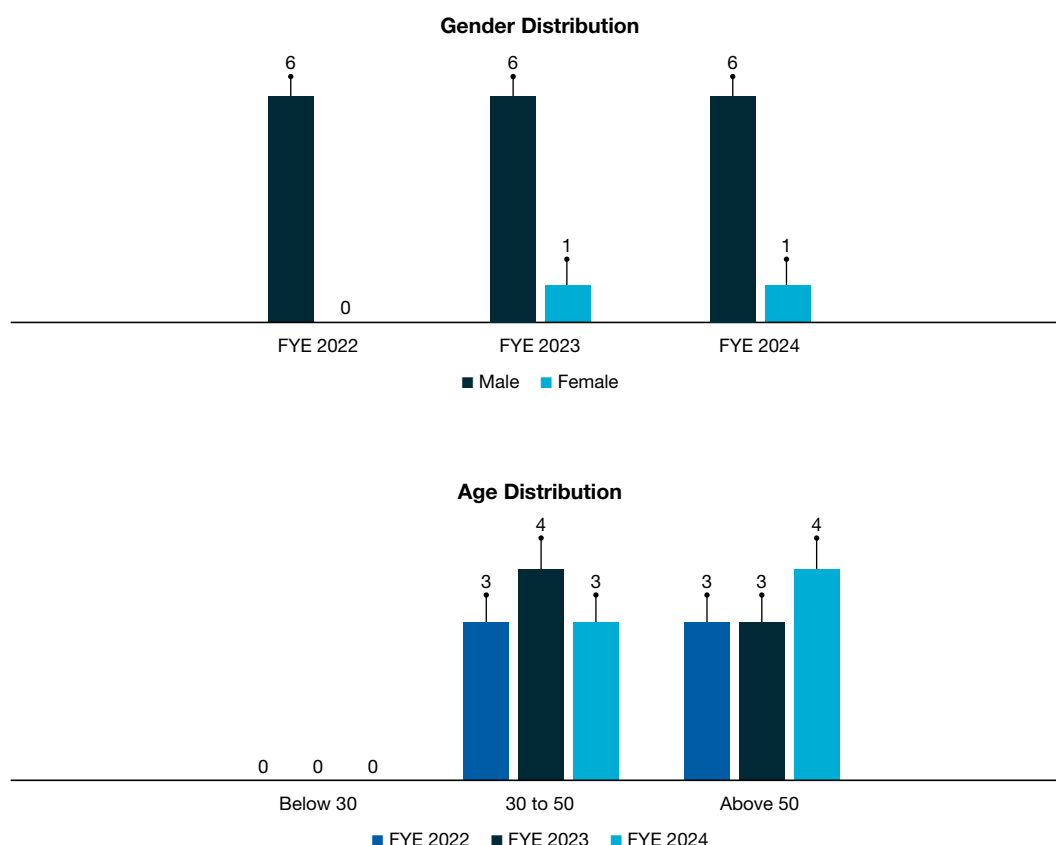
SCC also focuses on leadership development, preparing future leaders to drive innovation and operational excellence. By investing in its workforce, SCC not only strengthens employee capabilities but also fosters loyalty, engagement, and a high-performance work culture, ensuring long-term success for both the company and its people.

Below are the total training hour based on employee category in SCC:



BOARD OF DIRECTORS

For FYE2024, SCC's Board of Directors reflects a commitment to diversity through its gender and age composition. The board includes six male directors and one female director, ensuring some level of gender representation. In terms of age diversity, the board comprises three directors aged 30 to 50 and four directors above 50, with no directors under 30. This age distribution highlights a blend of mid-career and seasoned professionals contributing to the board's expertise.



EMPLOYEE ENGAGEMENT

At SCC, employee engagement is a cornerstone of fostering a positive, inclusive, and motivated workplace culture. The company values its employees as key contributors to its success and actively organizes initiatives to strengthen bonds, recognize achievements, and celebrate diversity.

SCC celebrates **major cultural festivities**, such as **Hari Raya Aidilfitri** and **Chinese New Year**, bringing employees together to share in the joy of these special occasions. These events promote unity and mutual respect, reflecting the company's commitment to inclusivity and cultural appreciation.

In addition to celebrations, SCC implements **reward and recognition programs** to honor employees' hard work and dedication. These initiatives include awards for exceptional performance, service milestones, and team achievements, fostering a sense of appreciation and motivation.

Through meaningful activities and recognition efforts, SCC creates an engaged and vibrant workplace, ensuring employees feel valued, connected, and inspired to contribute to the company's ongoing success.

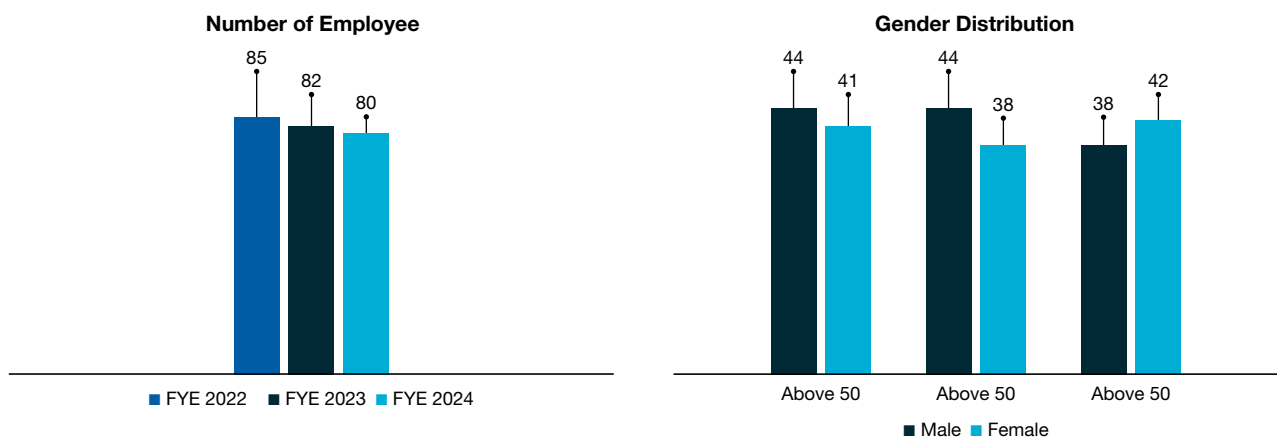
**SUSTAINABILITY
STATEMENT**
(CONT'D)



DIVERSITY, EQUITY AND INCLUSION (DEI)

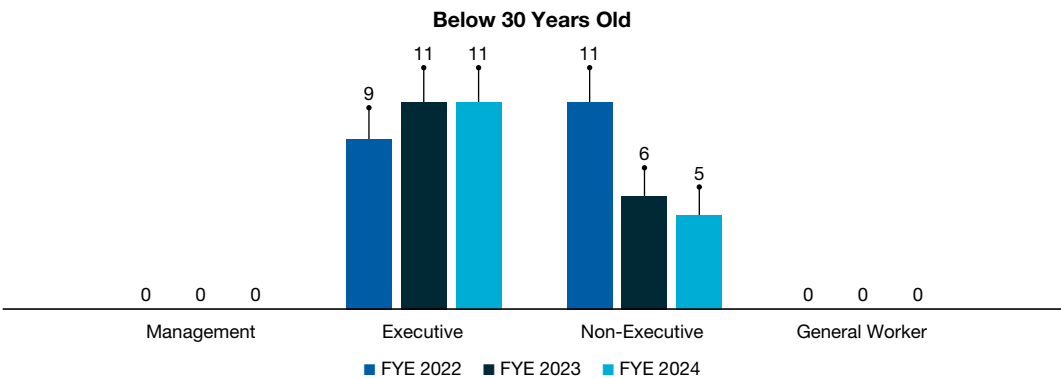
We are committed to fostering a workplace culture rooted in diversity, equity, and inclusion (DEI). As an integral part of our sustainability journey, we recognize that a diverse and inclusive workforce is vital to driving innovation, achieving sustainable growth, and building resilience in an ever-evolving business landscape.

In FYE 2024, SCC proudly employed a total of 80 employee, representing a balanced blend of talents across gender, age groups, and professional categories. Our workforce comprised [insert percentage] male and 52.5% female employees, reflecting our dedication to gender equality.



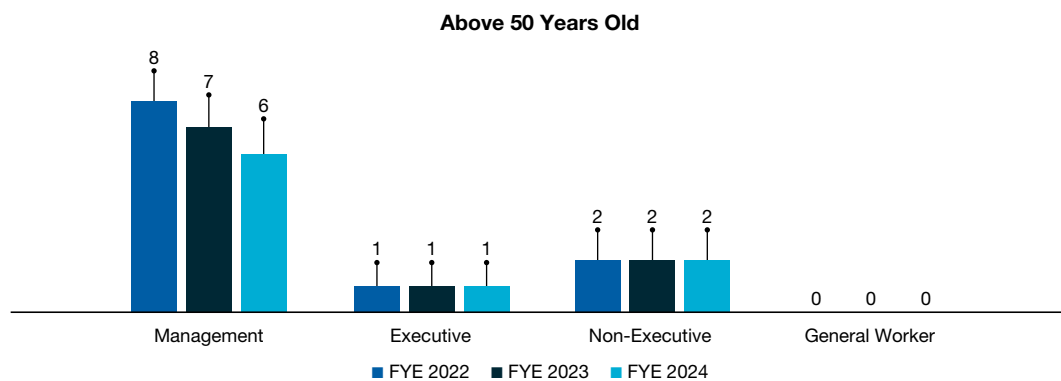
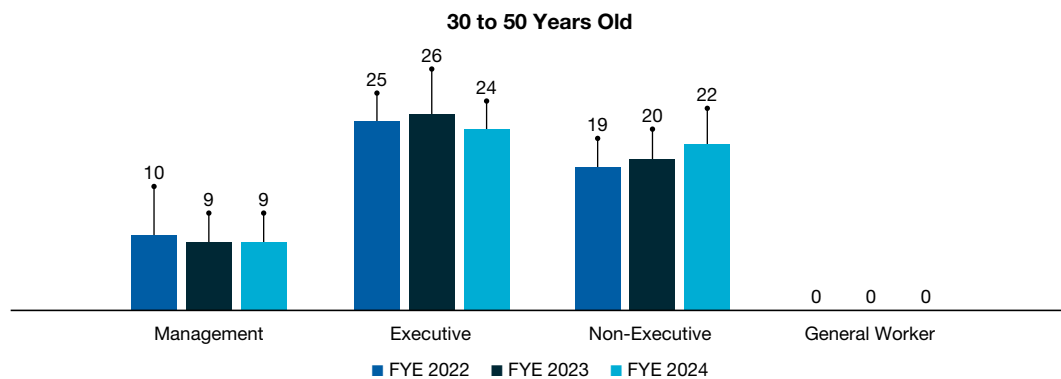
“
52.5% OF SCC EMPLOYEES ARE FEMALE IN FYE 2024
”

We take pride in our multigenerational workforce, with employees across various age brackets contributing unique perspectives and experiences. The distribution spans of age ranges such as below 30, 30 to 50, and above 50 years old, fostering intergenerational collaboration.

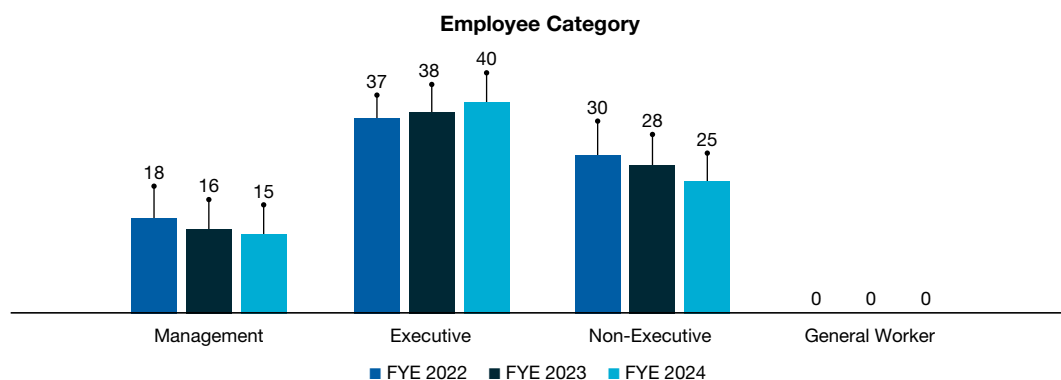


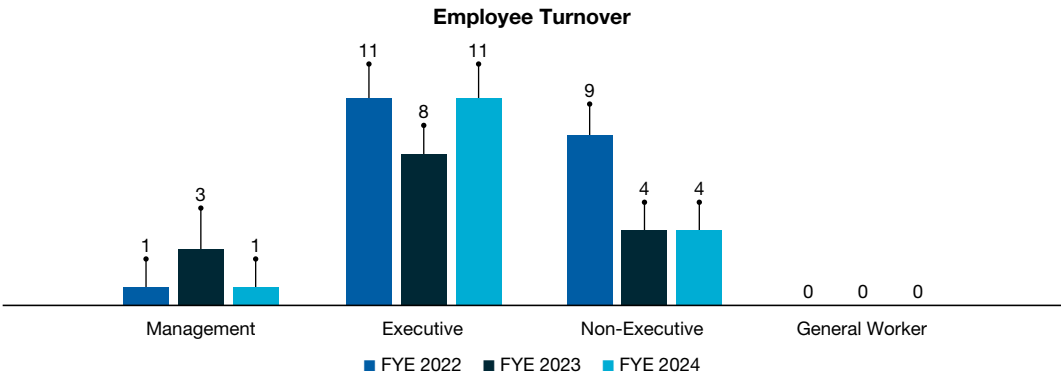
SUSTAINABILITY STATEMENT

(CONT'D)



SCC's organizational structure includes Management, Executive, Non-Executive, and General Workers, ensuring representation at every level. Furthermore, we are committed to addressing employee turnover by understanding trends and implementing initiatives to enhance employee engagement and satisfaction. For FYE 2024, the turnover rate stood at 16 employees reflecting our ongoing efforts to retain and nurture talent.





Our DEI commitment is not just a strategy but a reflection of our core values, empowering us to create an environment where every employee feels valued, supported, and inspired to contribute to SCC's success.

LABOUR PRACTICE AND STANDARDS

“
ALL THE EMPLOYEES AT SCC ARE PERMANENT
ACROSS THREE FINANCIAL YEARS
”

SCC prioritizes ethical labor practices and adheres to high standards in employment. All SCC employees are permanent, reflecting the company's commitment to job security and long-term workforce investment. This approach ensures consistent opportunities for skill development, equitable treatment, and compliance with labor regulations, fostering a stable and productive work environment.

COMMUNITY ENGAGEMENT



SUSTAINABILITY STATEMENT

(CONT'D)

At SCC, community engagement is at the heart of our corporate values, driving meaningful initiatives that support societal well-being. Through our CSR cloth donation program, we strive to promote sustainable living by giving new purpose to gently used clothing while providing essential resources to underserved communities. This initiative not only alleviates clothing shortages but also fosters environmental consciousness by reducing textile waste, aligning with our commitment to sustainability and community care.

Our charitable donation efforts further demonstrate SCC's dedication to social responsibility. By contributing to local charities and supporting causes that uplift vulnerable groups, we seek to create a positive and lasting impact within the community. These donations go beyond financial support, reflecting our belief in fostering partnerships that inspire hope, resilience, and progress. Together, these CSR activities embody our mission to contribute to a more inclusive and compassionate society.

DONATIONS

“

SCC DONATED RM4,000 IN FYE 2024

”

In FYE 2024, SCC contributed RM4,000 in charitable donations, supporting three beneficiary organizations dedicated to community welfare and development. These donations were carefully allocated to initiatives aimed at uplifting underserved groups and promoting positive societal change. The chosen organizations reflect SCC's ongoing commitment to supporting causes that align with its core values of compassion and corporate responsibility.

This effort highlights the company's dedication to fostering meaningful community engagement and creating a lasting social impact. By partnering with these beneficiary organizations, SCC not only provides financial support but also strengthens its role as a responsible corporate citizen, championing initiatives that build a more inclusive and supportive society.

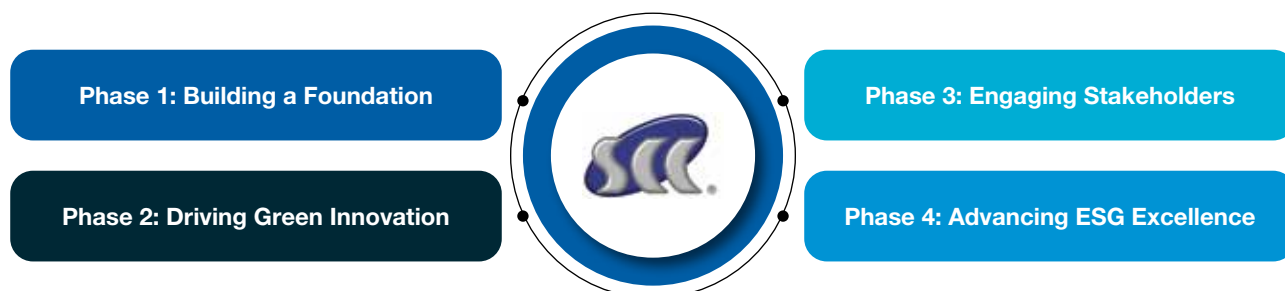
ENVIRONMENT MATTERS

SCC recognize that environmental sustainability is not just a responsibility but an essential pillar of our business strategy. Operating in today's dynamic and interconnected world, we are committed to safeguarding the environment for future generations. Our initiatives reflect our dedication to reducing our ecological footprint, promoting sustainable practices, and fostering a culture of environmental awareness among our stakeholders.

As a company deeply rooted in innovation and forward-thinking, we believe that progress and environmental stewardship go hand in hand. Through targeted efforts in waste reduction, resource optimization, and green technology adoption, we strive to minimize our impact on the planet while creating value for our shareholders and communities. Together, we can make a difference because at SCC, the environment matters.

SUSTAINABILITY JOURNEYS

Our sustainability journey is rooted in our vision to balance business growth with long-term environmental, social, and governance (ESG) responsibilities. Since our inception, we have steadily evolved to meet the changing needs of our stakeholders while staying committed to creating a positive and lasting impact on the world around us.



Phase 1: Building a Foundation

In the early stages, we focused on embedding sustainable practices into our operations. By prioritizing compliance with environmental regulations and fostering a culture of accountability, we laid the groundwork for a more responsible approach to business.

Phase 2: Driving Green Innovation

As we grew, we began integrating sustainable technologies and innovations into our processes. This phase included optimizing energy and resource efficiency, reducing waste, and exploring renewable alternatives to traditional practices. Our investments in eco-friendly solutions demonstrate our commitment to minimizing our environmental footprint while maintaining operational excellence.

Phase 3: Engaging Stakeholders

Recognizing that sustainability is a shared responsibility, we actively engage with employees, customers, suppliers, and communities to promote awareness and collaboration. From adopting ethical sourcing practices to supporting community-driven environmental initiatives, we continuously work to align our values with those of our stakeholders.

Phase 4: Advancing ESG Excellence

Today, our sustainability efforts are guided by a robust ESG framework. We actively monitor and report on key performance indicators, ensuring transparency and accountability in all aspects of our operations. By setting measurable goals in carbon reduction, waste management, and social impact, SCC is committed to driving meaningful change while contributing to global sustainability goals.

Our sustainability journey is ongoing, and we remain steadfast in our mission to innovate, collaborate, and lead by example. As we look to the future, SCC will continue to evolve, ensuring that sustainability remains at the core of everything we do. Together with our stakeholders, we aim to build a greener, fairer, and more resilient tomorrow.

SUSTAINABILITY STATEMENT

(CONT'D)

GHG EMISSIONS

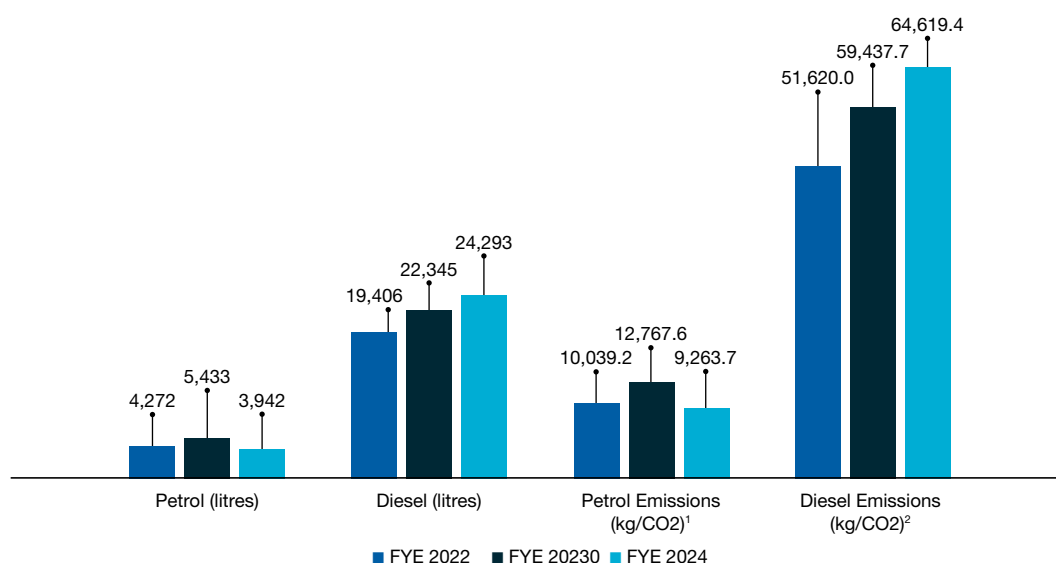
At SCC, managing and reducing greenhouse gas (GHG) emissions is a key part of our sustainability commitment. We categorize our emissions into three scopes following the Greenhouse Gas Protocol, ensuring a structured and transparent approach to measuring and mitigating our environmental impact.



By addressing emissions across all scopes, SCC demonstrates its commitment to sustainability and supports global efforts to mitigate climate change. We remain dedicated to implementing effective strategies that reduce our carbon footprint and align with our broader environmental goals.

SCOPE 1 EMISSIONS

Scope 1 encompasses direct emissions from sources owned or controlled by the company. At SCC, these include emissions from the combustion of diesel and petrol used in our vehicles and machinery, as well as fugitive emissions from nitrogen usage in operations. Additionally, refrigerant leaks from air conditioning systems contribute to Scope 1 emissions. To address these, we optimize fuel consumption, regularly maintain equipment to improve efficiency, and ensure proper handling of refrigerants to minimize leakage.



Type of Fuel	FYE 2022	FYE 2023	FYE 2024
Petrol (litres)	4,272	5,433	3,942
Diesel (litres)	19,406	22,345	24,293
Petrol Emissions (kg/CO ₂) ¹	10,039.2	12,767.6	9,263.7
Diesel Emissions (kg/CO ₂) ¹	51,620.0	59,437.7	64,619.4

¹ For the calculations related to Diesel CO₂ emissions, the following emission factor was used was approximately 2.66kg CO₂/per litre

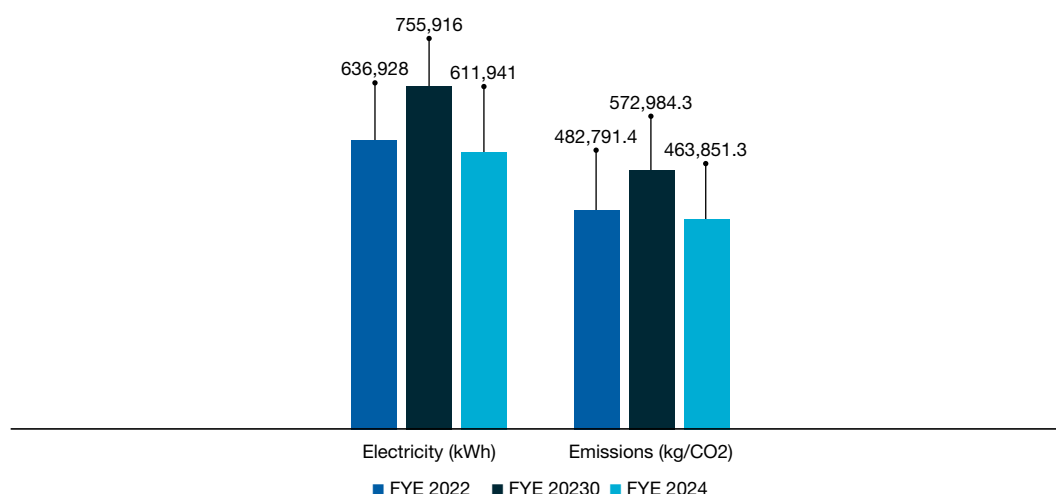
² For the calculations related to petrol CO₂ emissions, the following emission factor was used was approximately 2.35kg CO₂/per litre

In tracking fuel consumption and emissions over the financial years FYE 2022 to FYE 2024, SCC has observed fluctuations in petrol and diesel usage, reflecting changes in operational needs. Petrol consumption decreased from 5,433 liters in FYE 2023 to 3,942 liters in FYE 2024, resulting in a reduction of petrol emissions from 12,767.55 kg CO₂ to 9,263.7 kg CO₂. Conversely, diesel usage increased steadily, rising from 19,406 liters in FYE 2022 to 24,293 liters in FYE 2024, which correspondingly elevated diesel emissions from 51,619.96 kg CO₂ to 64,619.38 kg CO₂ over the same period. These trends underscore the importance of ongoing efforts to optimize fuel efficiency and explore sustainable alternatives to minimize the company's carbon footprint.

SCOPE 2 EMISSIONS

Scope 2 emissions arise from the indirect consumption of purchased energy. These emissions are primarily associated with electricity usage across our facilities and the energy required for water treatment and supply. SCC is committed to reducing Scope 2 emissions through energy efficiency initiatives, such as adopting energy-saving technologies, improving operational practices, and exploring the integration of renewable energy sources to power our facilities.

Electricity Usage



Year	Emission Factor	Electricity Usage (kWh)	Emissions (kg/CO ₂)
FYE 2022	0.758kg/ kWh ³	636,928	482,791.4
FYE 2023		755,916	572,984.3
FYE 2024		611,941	463,851.3

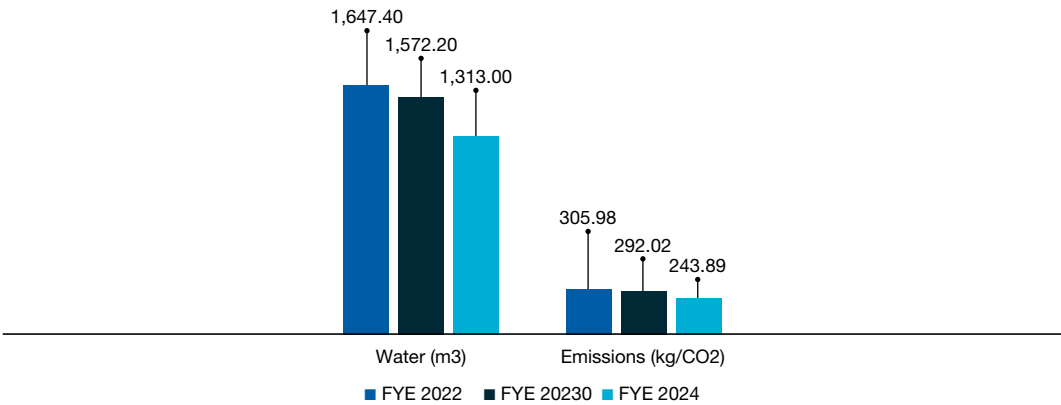
³ The emission factor is obtained from <https://meih.st.gov.my/>. The factor used for Malaysia is 0.758 kg/CO₂

Over the financial years 2022 to 2024, SCC has demonstrated varying electricity consumption levels, which have directly impacted associated emissions. Electricity usage increased from 636,928 kWh in FYE 2022 to 755,916 kWh in FYE 2023, resulting in a corresponding rise in emissions from 482,791.42 kg CO₂ to 572,984.33 kg CO₂. However, FYE 2024 saw a significant reduction in electricity consumption to 611,941 kWh, leading to a decrease in emissions to 463,851.28 kg CO₂. This decline reflects the company's commitment to improving energy efficiency and minimizing its environmental footprint through better resource management and sustainable practices.

SUSTAINABILITY STATEMENT

(CONT'D)

Water Usage



Year	Emission Factor	Electricity Usage (kWh)	Emissions (kg/CO2)
FYE 2022	0.18574kg/m ³ ⁴	1,647.40	305.98
FYE 2023		1,572.20	292.02
FYE 2024		1,313.00	243.89

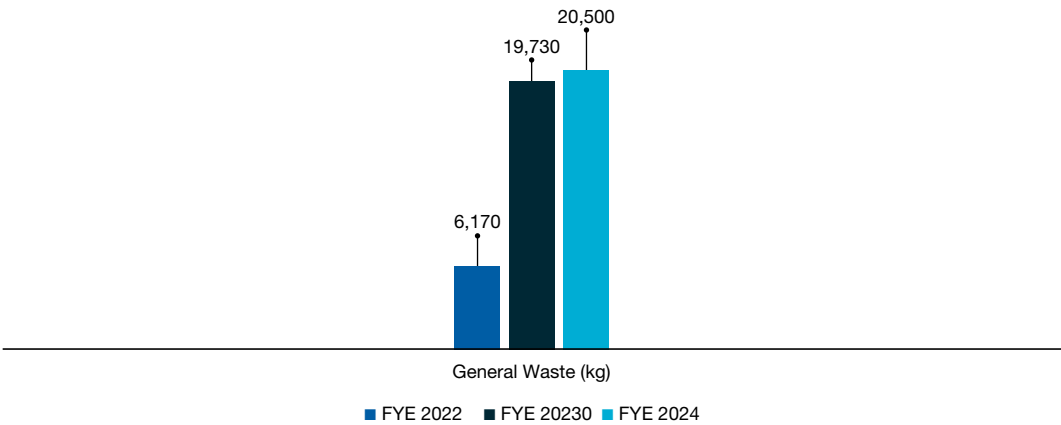
⁴ <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024>

Over the financial years FYE 2022 to FYE 2024, SCC has consistently reduced its water consumption and the associated carbon emissions. Water usage decreased from 1,647.40 m³ in FYE 2022 to 1,572.20 m³ in FYE 2023, and further to 1,313.00 m³ in FYE 2024. Correspondingly, emissions from water usage dropped from 305.99 kg CO2 in FYE 2022 to 292.02 kg CO2 in FYE 2023, and to 243.88 kg CO2 in FYE 2024. These reductions highlight the company’s ongoing efforts to enhance water efficiency and adopt sustainable water management practices, contributing to its broader sustainability goals.

SCOPE 3 EMISSIONS

Cover indirect emissions from activities within our value chain that SCC does not directly control. For SCC Food Manufacturing Sdn Bhd, Scope 3 emissions are generated from business travel by flight and waste management processes. To reduce these emissions, we encourage virtual meetings to minimize air travel and explore sustainable travel options where necessary. Additionally, we focus on waste reduction, segregation, and recycling to lower emissions associated with waste disposal and treatment.

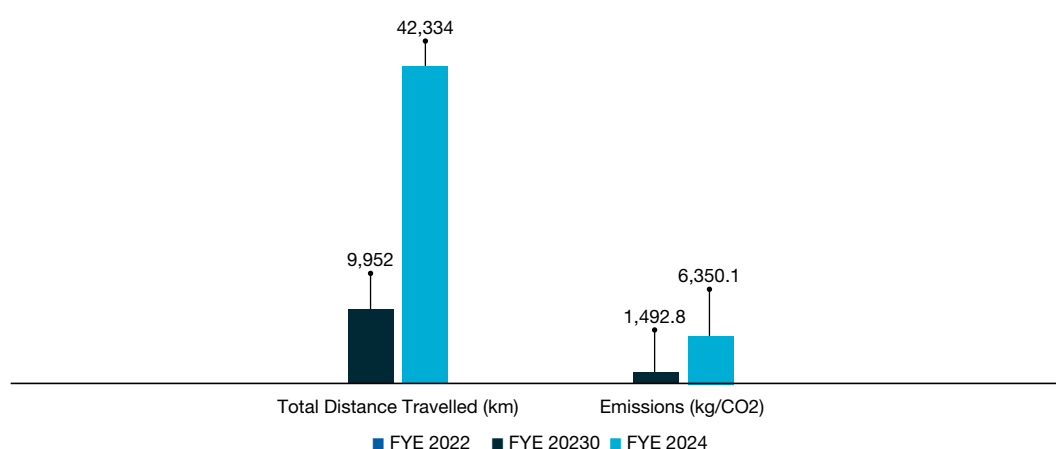
Waste Management



Type of Waste	FYE 2022	FYE 2023	FYE 2024
General Waste (kg)	6,170	19,730	20,500

Over the financial years FYE 2022 to FYE 2024, SCC Food Manufacturing Sdn Bhd observed a significant increase in the generation of general waste. General waste rose from 6,170 kg in FYE 2022 to 19,730 kg in FYE 2023 and further to 20,500 kg in FYE 2024. This upward trend underscores the growing operational scale and highlights the importance of implementing robust waste management strategies. SCC Food Manufacturing Sdn Bhd remains committed to reducing waste generation through improved processes, waste segregation, and recycling initiatives to minimize its environmental impact and align with sustainability objectives.

Business Travels (by Flight)



Year	Emission Factor	Total Distance Travelled (km)	Emissions (kg/CO2)
FYE 2022		-	-
FYE 2023	0.15 kg/CO2	9,952	1,492.8
FYE 2024		42,334	6,350.1

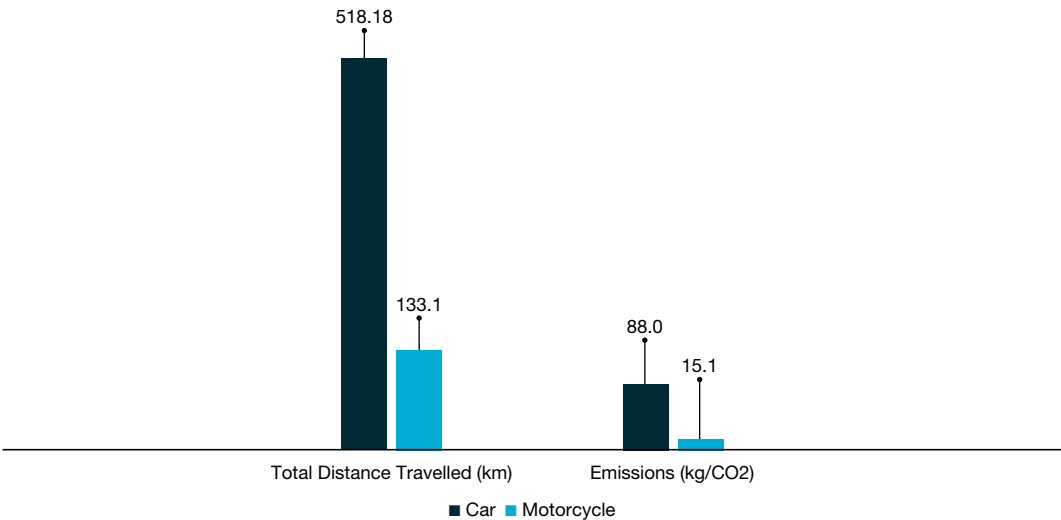
In FYE 2023 and FYE 2024, SCC saw a significant increase in business travel emissions, with the distance travelled rising from 9,952 km in FYE 2023 to 42,334 km in FYE 2024. This surge in travel led to a corresponding increase in emissions from 1,492.8 kg/CO2 in FYE 2023 to 6,350.1 kg/CO2 in FYE 2024. This change highlights the need for ongoing efforts to reduce emissions from business travel, such as promoting virtual meetings, selecting more sustainable travel options, and optimizing travel efficiency, in line with the company's sustainability objectives.

SUSTAINABILITY STATEMENT

(CONT'D)

Employee Commuting

SCC acknowledges the environmental impact of employee commuting and strives to monitor and manage its carbon footprint. In FYE 2024, employees primarily commuted using cars and motorcycles, contributing to the company's Scope 3 emissions.



Type of Transportation	Emission Factor	Total Distance Travelled (km)	Emissions (kg/CO2)
Car	0.16983 kg/CO2	518.18	88.0
Motorcycle	0.11367kg/CO2	133.1	15.1

Based on recorded data, total emissions from employee commuting amounted to approximately 103.13 kg/CO2. Car travel accounted for the majority of emissions, with 88.00 kg/CO2 generated from a total distance of 518.18 km, while motorcycle commuting contributed 15.13 kg/CO2 from 133.1 km traveled.

By tracking commuting emissions, SCC aims to explore initiatives that promote sustainable transportation options and reduce its environmental impact over time.

CONCLUSION

In conclusion, SCC is committed to sustainability by minimizing our environmental impact through efficient resource use, emissions reduction, and responsible waste management. We strive to meet stakeholder needs, support global climate goals, and ensure long-term value creation, all while contributing to a greener and more resilient future.

This Sustainability Performance Report is generated using the Bursa Malaysia ESG Reporting Platform, as required by the ACE Market Listing Requirements and which adheres to the enhanced sustainability reporting criteria.

BURSA KPI LIST

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	100.00
Non-executive/Technical Staff	Percentage	100.00
General Workers	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	4,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	3.00
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0
Management Between 30-50	Percentage	60.00
Management Above 50	Percentage	40.00
Executive Under 30	Percentage	31.00
Executive Between 30-50	Percentage	67.00
Executive Above 50	Percentage	3.00
Non-executive/Technical Staff Under 30	Percentage	17.00
Non-executive/Technical Staff Between 30-50	Percentage	76.00
Non-executive/Technical Staff Above 50	Percentage	7.00
General Workers Under 30	Percentage	0.00
General Workers Between 30-50	Percentage	0.00
General Workers Above 50	Percentage	0.00
Gender Group by Employee Category		
Management Male	Percentage	90.00
Management Female	Percentage	10.00
Executive Male	Percentage	67.00
Executive Female	Percentage	31.00
Non-executive/Technical Staff Male	Percentage	41.00
Non-executive/Technical Staff Female	Percentage	59.00
General Workers Male	Percentage	0.00
General Workers Female	Percentage	0.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	90.00
Female	Percentage	10.00
Under 30	Percentage	0
Between 30-50	Percentage	43.00
Above 50	Percentage	57.00

SUSTAINABILITY STATEMENT

(CONT'D)

Indicator	Measurement Unit	2024
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	611.941
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	235.99
Bursa C5(c) Number of employees trained on health and safety standards	Number	77.00
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	361.50
Executive	Hours	2101.50
Non-executive/Technical Staff	Hours	397.00
General Workers	Hours	0.00
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	1.00
Executive	Number	11.00
Non-executive/Technical Staff	Number	4.00
General Workers	Number	0.00
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	56.70
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	1.313

(*) Restated

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”), pursuant to Rule 15.25(1) and it is to be read in conjunction with the Corporate Governance Report (“CG Report”) 2024 of the Company which is accessible on the Company’s website at www.sccholdings.com.my and via announcement on Bursa Securities website.

This Statement is to provide shareholders and other stakeholders with an overview of the Group’s application of the following three (3) Principles set out in the MCCG published in April 2021:

- (a) Principle A : Board Leadership and Effectiveness;
- (b) Principle B : Effective Audit and Risk Management
- (c) Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

The CG Report 2024 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 2024 (“FYE 2024”).

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

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, Non-Independent Non-Executive Chairman as well as the Managing Director in ensuring the smooth running of the Group’s business and operations.

The Board had approved the renaming of the ‘Audit Committee’ to ‘Audit and Risk Management Committee’ effective from 28 May 2024.

On 28 May 2024, the Board reviewed and approved the updates to the Board Charter and Term of Reference (“TOR”) of the Board Committees to be in line with the practices of the MCCG 2021 and the amendments of the AMLR.

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 Directors 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.

Datuk Wira Dr. Goy Hong Boon, as the Non-Independent Non-Executive Chairman leads the Board by overseeing the strategies and business affairs of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. Roles of Chairman, Managing Director and Independent Non-Executive Directors (cont'd)

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 Secretaries

The Board is grateful to be supported by two qualified and competent Company Secretaries. Both are qualified under Section 235(2)(a) of the Companies Act 2016 and are members of the Malaysian Institute of Chartered Secretaries and Administrators. Their expertise, clear and sound advice has enabled the Board to comply with the regulatory requirements, new statutes and directives issued by the regulatory authorities.

IV. Board Composition

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 2024 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.

Currently, only one (1) female director is serving the Board. The Board, through the Nomination Committee, will be scouting for additional female directors as a step to meet the target of at least 30% women directors.

All the directors have given their undertaking to comply with the AMLR and the Independent Directors have confirmed their independence in writing.

V. Nomination Committee ("NC")

The 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 Independent Non- Executive Directors.

The TOR of the NC was updated and approved on 28 May 2024 and is available at the Group's corporate website at www.sccholdings.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

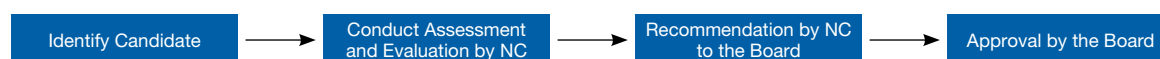
PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

V. Nomination Committee (cont'd)

The NC's key responsibilities are:

(a) Appointment of New Director

The chart below shows the procedures on appointment of new Director



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.

(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. On 22 November 2024, the analysis of the annual assessments results and feedback from the Board/Committee members were presented by the Company Secretary for the NC/Board's consideration in developing action plans for enhancing its overall effectiveness.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

V. Nomination Committee (cont'd)

(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 2024

Below is a summary of the activities undertaken by the NC for the FYE 2024: -

- (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; and
- (f) Assessed Directors' training to ensure all Directors receive appropriate continuous training programmes.
- (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.

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 this decision and seek annual approval from shareholders through a two-tier voting process.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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 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.

Anti-Bribery and Anti-Corruption Policy

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.

Conflict of Interest Policy

On 22 November 2024, the Group has established a Conflict of Interest Policy which outlines the disclosure obligations of each director and key senior management of the Group with respect to conflict of interest, and procedures to be followed when any actual or potential conflict of interest arise to ensure systematic identification, disclosure and management of conflict of interest in an effective and timely manner.

The Conflict of Interest Policy is available on the Group's corporate website at www.sccholdings.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

VI. Promoting Good Business Conduct

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 24th AGM held on 28 May 2024 to pay the Directors' Fees to the INEDs for the FYE 2025.

The remuneration packages applicable for the 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 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 Managing Director, Deputy Managing Director and Executive Directors 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (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 2024 are as follows:

Director's Name	Director Fee	Salary and Emoluments	Bonuses/ Gratuity	EPF (Employer)	SOCSSO/ EIS (Employer)	Benefits in Kind	Total
Chee Long Sing @ Cher Hwee Seng (Retired 28 May 2024)	-	150,000	360,000	-	310	4,427	514,737
Cher Sew Seng	-	420,000	35,000	18,200	780	10,625	484,605
Cher Lip Chun	-	420,000	35,000	54,600	1,217	10,625	521,442
Cher Lip Ter (Appointed 1 March 2024)	-	326,800	30,000	42,820	1,024	-	400,644
Datuk Wira Dr Goy Hong Boon	24,000	-	-	-	-	1,500	25,500
Tan Tian Wooi	24,000	-	-	-	-	1,500	25,500
Puar Chin Jong	24,000	-	-	-	-	1,500	25,500
Lew Yen Peng	24,000	-	-	-	-	1,500	25,500
Total	96,000	1,316,800	460,000	115,620	3,331	31,677	2,023,428

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
Datuk Wira Dr Goy Hong Boon	5/5	100
Mr. Cher Sew Seng	5/5	100
Mr. Cher Lip Chun	5/5	100
Mr. Cher Lip Ter (Appointed 1 March 2024)	4/4	100
Mr. Tan Tian Wooi	5/5	100
Mr. Puar Chin Jong	5/5	100
Ms. Lew Yen Peng	5/5	100
Mr. Chee Long Sing @ Cher Hwee Seng (Retired 28 May 2024)	3/3	100

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (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
Datuk Wira Dr. Goy Hong Boon	MAP Part II
Mr. Cher Sew Seng	1. MAP Part II 2. ESG & TCFD: Introduction to ESG & TCFD & ESG Metrics and Reporting 3. ESG & TCFD: TCFD Framework and recommendations and GRI Indicators and Performance Measures 4. Anti-Bribery and Corruptions Training
Mr. Cher Lip Chun	1. MAP Part II 2. ESG & TCFD: Introduction to ESG & TCFD & ESG Metrics and Reporting 3. ESG & TCFD: TCFD Framework and recommendations and GRI Indicators and Performance Measures 4. Anti-Bribery and Corruptions Training
Mr. Cher Lip Ter	1. Mandatory Accreditation Programme Part I 2. MAP Part II 3. ESG & TCFD: Introduction to ESG & TCFD & ESG Metrics and Reporting 4. ESG & TCFD: TCFD Framework and recommendations and GRI Indicators and Performance Measures 5. Anti-Bribery and Corruptions Training
Mr. Tan Tian Wooi	MAP Part II
Mr. Puar Chin Jong	MAP Part II
Ms. Lew Yen Peng	MAP Part II

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Management Committee

The Audit and Risk Management Committee (“ARMC”) of the Company comprises three (3) INEDs. The Chairman of the ARMC, 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 and complies with Rule 15.09 (1)(c)(i) of the AMLR of Bursa Securities, while all members possess substantial corporate management experience.

In adherence to Practice 9.1 of the MCCG, the positions of the Board’s Chairman and the ARMC’s Chairman are held by different individuals, with Datuk Wira Dr. Goy Hong Boon as the Board’s Chairman and Mr. Tan Tian Wooi as the ARMC’s Chairman. This segregation of role reinforces the Board’s objectivity and independence in evaluating ARMC findings and recommendations.

In accordance with the MCCG Practice 9.2, any former partner of the external audit firm of the Company must undergo a cooling off period of at least three (3) years before being considered for appointment as a member of ARMC. This policy is designed to safeguard the independence and objectivity of the ARMC members. Currently, none of the ARMC members are the former partners of the external audit firm of the Company.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

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. The members of the RMC include 3 Executive Directors, all Heads of Department ("HODs") and General Manager.

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 24th 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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 financial year ended 31 December 2024, 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.

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 3 April 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Audit Committee was renamed to Audit and Risk Management Committee (“ARMC”) with effective from 28 May 2024, which assume extended roles and responsibilities in risk management.

The primary objective of the ARMC is to assist and support the Board of SCC 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 ARMC comprises three (3) members, which are Independent Non-Executive Directors. Mr. Tan Tian Wooi is a member of the Malaysian Institute of Accountants. Mr. Tan Tian Wooi meets the requirements of Rule 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 financial year ended 31 December 2024, the members of the ARMC are:

Name	Designation	Directorship
Tan Tian Wooi	Chairman	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, General Manager, Accountant, Internal Auditors and External Auditors were present as and when invited.

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

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

Details of attendance are listed below:

Name	Attendance
Tan Tian Wooi (Chairman)	5/5
Puar Chin Jong	5/5
Lew Yen Peng	5/5
Datuk Wira Dr. Goy Hong Boon (Resigned on 28 May 2024)	3/3

Terms of Reference

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

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(CONT'D)

SUMMARY OF ACTIVITIES

The ARMC carried out its duties in accordance with the TOR 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. Reviewed and discussed risk matters brought out by the Management team and provide advice and opinion on methods to mitigate the risks.
- j. 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 ARMC.
- k. Evaluated auditor's performance and recommendations for re-appointment in AGM.

Internal Audit

- l. 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.
- m. Reviewed the adequacy of the scope and coverage of work and instructed specific audit area to be performed when needs arise.
- n. Received and discussed the internal audit reports after the conclusion of every internal audit being carried out.

Related Party Transactions

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

Others

- p. Reviewed the ARMC 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 2024.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(CONT'D)

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 financial year ended 31 December 2024.

The Internal Auditor reports directly to the ARMC on a half-yearly basis by presenting its Internal Audit Reports during the ARMC 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 ARMC meeting. The Internal Auditor will also table its internal audit plan to the ARMC prior to audit works for the next financial year.

On 23 February 2024, CGRM tabled a report for ARMC’s review covering the FSED Stock Management on September 2023.

On 28 May 2024, CGRM tabled a report for ARMC’s review in respect of AHPD Technical Support Management of SCC Holdings Berhad’s Group in April 2024 and followed up on issues highlighted in Internal Audit Report issued in February 2024 on FSED Stock Management (AHPD).

On 22 November 2024, CGRM tabled a report on followed up issues highlighted in Internal Audit Report issued in May 2024 on AHPD Technical Support Management of SCC Holdings Berhad’s Group in April 2024.

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 financial year ended 31 December 2024 was RM33,920.00 (FYE 2023 – RM33,920.00).

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 FYE2024 are as follows:

	Company (RM)	Group (RM)
Audit services rendered		
- Statutory Audit	18,500	67,000
Non-audit services rendered		
- Review of Risk Management and Internal Control Statement	5,000	5,000

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 FYE2024.

3. CONTRACTS RELATING TO LOAN BY THE COMPANY

There were no contracts relating to loans entered by the Group during the FYE2024 involving Directors, Chief Executive Officer and Substantial shareholders.

4. RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE ("RRPT")

During FYE 2024, there was no RRPT which requires shareholders' mandate.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Statement on Risk Management and Internal Control by the Board on the SCC Holdings Berhad (“SCC” as “the Company”) and its group of companies (“Group”) is made pursuant to Rule 15.26(b) of the ACE Market Listing Requirement (“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 Malaysian Code on Corporate Governance 2021 (“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 Risk Management Committee (“RMC”) comprises the Managing Director, two (2) 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 quarterly 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 quarterly 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 to the ARMC.

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 quarterly 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 on monthly and quarterly basis 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

AUDIT AND RISK MANAGEMENT COMMITTEE AND INTERNAL AUDIT

The Company adopts a risk-based approach to the implementation and monitoring of relevant internal controls. The ARMC is entrusted by the Board to ensure that an effective and adequate internal control system is in place at all times. To assist the ARMC 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 ARMC, who reviews the findings with Management at the ARMC Meeting. In assessing the adequacy and effectiveness of the system of internal controls of the Group, the ARMC 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 ARMC.

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 of Bursa Securities, this Statement has been reviewed by the External Auditors for inclusion in the Annual Report of the Group for the FYE2024. 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 3 April 2025.

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.

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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 2024.

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	340	(5,739)

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

There were no dividends proposed, declared or paid by the Group since the end of the previous financial year. The Board of Directors does not recommend any 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:

Cher Sew Seng*

Cher Lip Chun*

Datuk Wira Dr. Goy Hong Boon

Tan Tian Wooi

Puar Chin Jong

Lew Yen Peng

Cher Lip Ter*

Chee Long Sing @ Cher Hwee Seng*

Cher Chou Chiang (alternate director to Cher Sew Seng)

(appointed on 1 March 2024)

(retired on 28 May 2024)

(resigned on 10 December 2024)

* 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 31.12.2024
	At 1.1.2024	Bought	Sold	
Interests in the Company				
Direct interests:				
Cher Sew Seng	19,397,847	-	-	19,397,847
Cher Lip Chun	1,024,802	-	-	1,024,802
Cher Lip Ter	599,260	515,840	-	1,115,100
Indirect interests:				
Cher Sew Seng *	1,482,500	-	-	1,482,500
Cher Lip Chun ^	66,000	-	-	66,000
Cher Lip Ter #	31,777,586	-	-	31,777,586

* 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.

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

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' 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 2024 are set out below:

	Group RM'000	Company RM'000
Salaries, wages and other emolument	1,780	1,780
Fees	96	96
Defined contribution plans	116	116
Benefits-in-kind	32	32
	<u>2,024</u>	<u>2,024</u>

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.

DIRECTORS' REPORT

(CONT'D)

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 adequate allowance had been made for doubtful debts and there were no known bad debts to be written off; 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 it necessary to write off any 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.
- (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 2024 are as follows:

	Group RM'000	Company RM'000
Auditors' remuneration		
- statutory audit	67	19
- other services	5	5
	<u>72</u>	<u>24</u>

AUDITORS

The auditors, UHY Malaysia PLT, have expressed their willingness to continue in office.

UHY Malaysia PLT (LLP0041391-LCA & AF 1411) was registered on 19 December 2024 and with effect from that date, UHY Malaysia (Formerly known as UHY) (AF 1411), a conventional partnership was converted to a limited liability partnership.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 16 April 2025.

CHER SEW 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 69 to 121 are drawn up in accordance with Malaysian Financial Reporting Standards ("MFRS") Accounting Standards, International Financial Reporting Standards ("IFRS") Accounting 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 2024 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 16 April 2025.

CHER SEW 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 69 to 121 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 16 April 2025)

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 2024 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 69 to 121.

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 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with MFRS Accounting Standards, IFRS Accounting 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
<u>Impairment of trade receivables</u> The Group has material credit exposures in its trade receivables amounting to RM13.327 million as at 31 December 2024. The assessment of recoverability of receivables involved judgements and estimation uncertainty in analysing historical bad debts, customer concentration, customer creditworthiness and customer payment terms.	<p>We obtained and evaluated the Group's credit risk policy, and tested the processes used by management to assess credit exposures.</p> <p>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.</p> <p>We have reviewed the appropriateness of the disclosures made in the financial statements.</p>

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 Malaysia PLT

202406000040 (LLP0041391-LCA) & AF1411
Chartered Accountants

TEOH WEI YEIN

Approved Number: 03655/04/2026 J
Chartered Accountant

KUALA LUMPUR

16 April 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	5,204	5,287	-	-
Investment properties	5	548	566	-	-
Right-of-use assets	6	899	596	-	-
Investments in subsidiary companies	7	-	-	15,843	15,843
Goodwill on consolidation	8	-	-	-	-
Investment securities	9	91	75	-	-
		6,742	6,524	15,843	15,843
Current Assets					
Inventories	10	15,065	16,823	-	-
Trade receivables	11	13,237	13,443	-	-
Other receivables	12	1,635	1,503	2	2
Amount due from subsidiary companies	13	-	-	5,759	11,559
Tax recoverable		833	1,691	306	289
Other investments	14	11,954	7,628	4,359	3,008
Cash and bank balances		4,871	6,389	299	1,628
		47,595	47,477	10,725	16,486
Total Assets		54,337	54,001	26,568	32,329
EQUITY					
Share capital	15	24,079	24,079	24,079	24,079
Reserves	16	23,916	23,539	2,454	8,193
Total Equity		47,995	47,618	26,533	32,272
LIABILITIES					
Non-Current Liabilities					
Lease liabilities	17	591	337	-	-
Deferred tax liabilities	18	70	103	-	-
		661	440	-	-
Current Liabilities					
Trade payables	19	2,929	3,735	-	-
Other payables	20	2,394	1,897	35	57
Lease liabilities	17	357	310	-	-
Tax payables		1	1	-	-
		5,681	5,943	35	57
Total Liabilities		6,342	6,383	35	57
Total Equity and Liabilities		54,337	54,001	26,568	32,329

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 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	21	57,196	55,357	3,792	5,392
Cost of sales		(43,377)	(40,134)	-	-
Gross profit		13,819	15,223	3,792	5,392
Other income		940	897	188	127
Selling and distribution expenses		(3,183)	(3,459)	(88)	(43)
Administrative expenses		(10,489)	(10,081)	(3,874)	(4,071)
Net impairment (loss)/gain on trade receivables	23	(132)	158	(5,747)	-
Finance costs	22	(83)	(58)	-	-
Profit before taxation	23	872	2,680	(5,729)	1,405
Taxation	24	(532)	(1,020)	(10)	(13)
Profit for the financial year		340	1,660	(5,739)	1,392
Other comprehensive income:					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
- Exchange translation differences for foreign operations		21	(30)	-	-
<i>Items that are not reclassified subsequently to profit or loss</i>					
- Fair value gain of fair value through other comprehensive income		16	6	-	-
Other comprehensive loss for the financial year		37	(24)	-	-
Total comprehensive income for the financial year		377	1,636	(5,739)	1,392
Net profit for the financial year attributable to:					
Owners of the Company		340	1,660	(5,739)	1,392
Total comprehensive income attributable to:					
Owners of the Company		377	1,636	(5,739)	1,392
Earnings per share (sen):					
- Basic	25	0.24	1.18		
- Diluted	25	0.24	1.18		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Group	Note	Attributable to Owners of the Parent				Total RM'000
		Share Capital RM'000	Non-Distributable Foreign Currency Translation Reserve RM'000	Fair value Reserve RM'000	Distributable Retained Earnings RM'000	
At 1 January 2024		24,079	(58)	65	23,532	47,618
Net profit for the financial year		-	-	-	340	340
Other comprehensive (loss)/ income for the financial year		-	21	16	-	37
Total comprehensive income for the financial year		-	21	16	340	377
At 31 December 2024		24,079	(37)	81	23,872	47,995
At 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 (loss)/ 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

STATEMENTS OF CHANGES IN EQUITY

(CONT'D)

	Note	Share Capital RM'000	Distributable Retained Earnings RM'000	Total RM'000
Company				
At 1 January 2024		24,079	8,193	32,272
Net profit for the financial year, representing total comprehensive income for the financial year		-	(5,739)	(5,739)
At 31 December 2024		24,079	2,454	26,533
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

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cash Flows From Operating Activities				
Profit before taxation	872	2,680	(5,729)	1,405
Adjustments for:				
Amortisation of right-of-use assets	422	360	-	-
Depreciation of property, plant and equipment	555	582	-	-
Depreciation of investment properties	18	18	-	-
Bad debts written off	-	9	-	-
Dividend income	(1)	(1)	-	(1,600)
Fair value gain of financial assets	(428)	(256)	(156)	(104)
Goodwill written off	-	8	-	-
Inventories written off	35	-	-	-
Impairment loss on:				
- Investment in subsidiary company	-	-	-	500
- Amount due from subsidiary companies	-	-	5,747	-
Impairment loss on trade receivables	145	26	-	-
Reversal of impairment loss on trade receivables	(13)	(184)	-	-
Interest expense	83	58	-	-
Property, plant and equipment written off	-	6	-	-
Interest income	(113)	(119)	(127)	(17)
Gain on termination of lease contracts	(17)	(1)	-	-
Unrealised loss/(gain) on foreign exchange	24	(266)	-	-
Operating profit/(loss) before working capital changes	1,582	2,920	(265)	184
Changes in working capital:				
Inventories	1,723	1,466	-	-
Trade receivables	74	(847)	-	-
Other receivables	(132)	1,062	-	-
Trade payables	(806)	(242)	-	-
Other payables	497	(634)	(22)	(2)
	1,356	805	(22)	(2)
Cash generated from/(used in) operations	2,938	3,725	(287)	182
Interest paid	(83)	(58)	-	-
Tax refund	1,274	39	-	16
Tax paid	(981)	(1,859)	(27)	(45)
	210	(1,878)	(27)	(29)
Net cash generated from/(used in) operating activities	3,148	1,847	(314)	153

STATEMENTS OF CASH FLOWS

(CONT'D)

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cash Flows From Investing Activities				
Dividend received	1	1	-	1,600
Interest received	113	119	127	17
Purchase of property, plant and equipment	(472)	(408)	-	-
Net changes in other investments	(3,898)	(1,283)	(1,195)	729
Net changes in amount due from subsidiary companies	-	-	53	406
Net cash (used in)/generated from investing activities	(4,256)	(1,571)	(1,015)	2,752
Cash Flows From Financing Activities				
Dividend paid	-	(1,412)	-	(1,412)
Repayment of lease liabilities	(407)	(345)	-	-
Net cash used in financing activities	(407)	(1,757)	-	(1,412)
Net changes in cash and cash equivalents	(1,515)	(1,481)	(1,329)	1,493
Cash and cash equivalents at beginning of the financial year	6,389	7,634	1,628	135
Effect of exchange translation differences on cash and cash equivalent	(3)	236	-	-
Cash and cash equivalents at end of the financial year	4,871	6,389	299	1,628
Cash and cash equivalents at the end of the financial year comprises:				
Cash and bank balances	4,871	6,389	299	1,628

NOTE TO STATEMENT OF CASH FLOWS - CASH FLOWS FOR LEASES AS A LEASEE

	Note	Group	
		2024	2023
		RM'000	RM'000
Included in operating activities:			
Interest paid in relation to lease liabilities	22	82	57
Payment relating to short-term leases	23	324	378
Included in financing activities:			
Payment of lease liabilities		407	345
Total cash outflows for leases		813	780

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

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:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

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

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 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	Annual Improvements to MFRS Accounting Standards-Volume 11	1 January 2026

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

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: (Cont'd)

		Effective dates for financial periods beginning on or after
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further noticed

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 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

(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.

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 instrument 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(i)(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(i)(i) on impairment of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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(i)(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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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%
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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(i)(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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(h) 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.

(i) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(i) Impairment of assets (Cont'd)

(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.

(j) 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.

(k) 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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(k) Employee benefits (Cont'd)

(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.

(l) 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.

(iii) Interest income

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

(m) 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.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(m) Income tax (Cont'd)

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.

(n) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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
2024						
Cost						
At 1 January	4,136	2,383	2,018	1,439	2,082	12,058
Additions	-	150	322	-	-	472
Disposals	-	-	-	(302)	-	(302)
Written off	-	(2)	-	-	-	(2)
At 31 December	4,136	2,531	2,340	1,137	2,082	12,226
Accumulated depreciation						
At 1 January	994	1,806	1,343	1,320	1,308	6,771
Charge for the financial year	83	114	168	30	160	555
Disposals	-	-	-	(302)	-	(302)
Written off	-	(2)	-	-	-	(2)
At 31 December	1,077	1,918	1,511	1,048	1,468	7,022
Carrying amount						
At 31 December	3,059	613	829	89	614	5,204

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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
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

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 2024 RM'000	2023 RM'000
Freehold land and buildings	1,435	1,480

There is no utilisation of credit facilities as at 31 December 2024.

5. INVESTMENT PROPERTIES

	Group 2024 RM'000	2023 RM'000
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Freehold buildings

At cost

At 1 January/31 December	882	882
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Accumulated depreciation

At 1 January	316	298
Charge for the financial year	18	18
At 31 December	334	316

Carrying amount

At 31 December	548	566
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Fair value of investment properties

At 31 December	3,800	3,200
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(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 2024 RM'000	2023 RM'000
Freehold buildings	633	291

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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 2024 RM'000	2023 RM'000
Rental income	190	189
Direct operating expenses	28	70

(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			
2024			
Cost			
At 1 January	258	857	1,115
Additions	466	465	931
Termination of lease contracts	(251)	(199)	(450)
Reclassification	(178)	178	-
Exchange differences	-	(4)	(4)
At 31 December	295	1,297	1,592
Accumulated amortisation			
At 1 January	210	309	519
Charge for the financial year	184	238	422
Termination of lease contracts	(126)	(119)	(245)
Reclassification	(1)	1	-
Exchange differences	(3)	-	(3)
At 31 December	264	429	693
Carrying amount			
At 31 December	31	868	899

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

6. RIGHT-OF USE ASSETS (CONT'D)

	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

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	
	2024 RM'000	2023 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)	(500)
	15,843	15,843

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

7. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

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

	Company 2024 RM'000	2023 RM'000
At 1 January	500	-
Impairment loss recognised	-	500
At 31 December	500	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 in the previous 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		Principal activities
		2024 %	2023 %	
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 Malaysia PLT

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

8. GOODWILL ON CONSOLIDATION

	Group 2024 RM'000	2023 RM'000
At 1 January	-	8
Less: Written off	-	(8)
At 31 December	-	-

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.

In the previous 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 2024 RM'000	2023 RM'000
Fair value through other comprehensive income		
Quoted securities in Malaysia		
- Equity instruments, at fair value	91	75

10. INVENTORIES

	Group 2024 RM'000	2023 RM'000
Finished goods:		
Food service equipment	10,725	11,862
Animal health products	3,686	4,571
Food service supplies	210	188
E-commerce stocks	11	17
Raw materials:		
Food service supplies	433	185
	15,065	16,823
Recognised in profit or loss:		
Inventories written off	35	-
Inventories recognised as cost of sales	43,597	38,899

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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	
	2024	2023
	RM'000	RM'000
Trade receivables	13,430	13,504
Less: Accumulated impairment losses	(193)	(61)
	<u>13,237</u>	<u>13,443</u>

The Group's normal credit terms range from 30 to 150 days (2023: 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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Other receivables	8	83	-	-
Deposits	339	250	2	2
Prepayments	1,257	1,139	-	-
VAT input tax	31	31	-	-
	<u>1,635</u>	<u>1,503</u>	<u>2</u>	<u>2</u>

13. AMOUNT DUE FROM SUBSIDIARY COMPANIES

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

14. OTHER INVESTMENTS

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000

Financial assets at fair value through profit or loss:

- Quoted money market fund	<u>11,954</u>	<u>7,628</u>	<u>4,359</u>	<u>3,008</u>
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The interest rates of other investments of the Group and of the Company range from 0.004% to 0.380% (2023: 0.004% to 0.290%) per annum and 0.01% to 0.38% (2023: 0.01% to 0.29%) per annum respectively.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

15. SHARE CAPITAL

	Group and Company			
	Number of Shares		Amount	
	2024	2023	2024	2023
	Units'000	Units'000	RM'000	RM'000

Issued and fully paid shares

Ordinary Shares

At 1 January/31 December	141,161	141,161	24,079	24,079
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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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000

Non-distributable

Fair value reserve	81	65	-	-
Foreign currency translation reserve	(37)	(58)	-	-

Distributable

Retained earnings	23,872	23,532	2,454	8,193
	23,916	23,539	2,454	8,193

(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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

17. LEASE LIABILITIES

	Group 2024 RM'000	2023 RM'000
At 1 January	647	755
Additions	931	255
Accretion of interest (Note 22)	82	57
Repayments	(489)	(402)
Termination of lease contracts	(222)	(23)
Exchange differences	(1)	5
At 31 December	948	647
Presented as:		
Non-current	591	337
Current	357	310
	948	647

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

	Group 2024 RM'000	2023 RM'000
Within one year	415	347
Later than one year and not later than two years	247	269
Later than two years and not later than five years	417	85
	1,079	701
Less: Future finance charges	(131)	(54)
Present value of lease liabilities	948	647

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 ranges from 6.64% to 7.89% (2023: 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).

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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 2024 RM'000	2023 RM'000
At 1 January	103	97
Recognised in profit or loss (Note 24)	(33)	6
At 31 December	70	103

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

	Group 2024 RM'000	2023 RM'000
Deferred tax assets	(81)	(82)
Deferred tax liabilities	151	185
	70	103

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	
2024	
At 1 January	(82)
Recognised in profit or loss	1
Over provision in prior year	-
At 31 December	(81)
2023	
At 1 January	(89)
Recognised in profit or loss	7
At 31 December	(82)

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

18. DEFERRED TAX LIABILITIES (CONT'D)

Deferred tax liability of the Group

	Accelerated Capital Allowance RM'000
Group	
2024	
At 1 January	185
Recognised in profit or loss	33
Under provision in prior year	(67)
At 31 December	<u>151</u>
2023	
At 1 January	186
Recognised in profit or loss	(1)
At 31 December	<u>185</u>

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

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Unused tax losses	6,149	5,987	1,704	1,688
Unabsorbed capital allowances	841	728	-	-
	<u>6,990</u>	<u>6,715</u>	<u>1,704</u>	<u>1,688</u>

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.

19. TRADE PAYABLES

Credit terms of trade payables of the Group ranged from 30 to 90 days (2023: 30 to 90 days) from the date of invoices.

20. OTHER PAYABLES

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Other payables	561	472	5	3
Deposits	1,543	1,031	-	-
Accruals	241	392	30	54
GST payable	49	2	-	-
	<u>2,394</u>	<u>1,897</u>	<u>35</u>	<u>57</u>

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

21. REVENUE

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers				
Trading sales:				
- food service equipment	22,495	26,315	-	-
- animal health products	31,084	28,920	-	-
- food service supplies	3,617	122	-	-
Management fees	-	-	3,792	3,792
	57,196	55,357	3,792	3,792
Revenue from other sources				
Dividend income	-	-	-	1,600
	57,196	55,357	3,792	5,392

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

22. FINANCE COSTS

	Group	
	2024	2023
	RM'000	RM'000
Interest expense on:		
- Banker's acceptance	1	1
- Lease liabilities	82	57
	83	58

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

23. PROFIT BEFORE TAXATION

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

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration:				
- Statutory audit				
- Current year	67	65	19	18
- Overprovision in prior year	(3)	-	(3)	-
- Non-statutory audit	5	8	5	8
Amortisation of right-of-use assets	422	360	-	-
Bad debts written off	-	9	-	-
Goodwill written off	-	8	-	-
Impairment loss on investment in subsidiary company	-	-	-	500
Depreciation of property, plant and equipment	555	582	-	-
Depreciation of investment properties	18	18	-	-
Non-Executive Directors' remunerations:				
- Fees	96	86	96	86
- Benefits-in-kind	6	4	6	4
Dividend income	(1)	(1)	-	-
Fair value gain on financial assets	(428)	(256)	(156)	(104)
Inventories written off	35	-	-	-
Loss/(gain) on foreign exchange:				
- realised	(112)	30	(22)	(6)
- unrealised	24	(266)	-	-
Impairment loss on:				
- Trade receivables	145	26	-	-
- Amount due from subsidiaries	-	-	5,747	-
Reversal of impairment loss on trade receivables	(13)	(184)	-	-
Net (gain)/loss on impairment of trade receivables	132	(158)	5,747	-
Interest income	(113)	(119)	(127)	(17)
Property, plant and equipment written off	-	6	-	-
Lease expenses relating to short-term leases	324	378	-	-
Gain on termination of lease contracts	(17)	(1)	-	-
Rental income	(190)	(189)	-	-

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

24. TAXATION

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Tax expenses recognised in profit or loss				
Malaysian statutory tax:				
- Current tax provision	675	1,093	10	8
- (Over)/Underprovision in prior years	(110)	(79)	-	5
	565	1,014	10	13
Deferred tax (Note 18):				
- Origination and reversal of temporary differences	27	10	-	-
- Overprovision in prior years	(60)	(4)	-	-
	(33)	6	-	-
	532	1,020	10	13

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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	872	2,680	(5,729)	1,405
At Malaysian statutory tax rate of 24%	209	643	(1,375)	337
Effect of different tax rate in other jurisdictions	1	35	-	-
Expenses not deductible for tax purposes	494	405	1,417	22
Income not subject to tax	(68)	(303)	(36)	(405)
Deferred tax assets not recognised	66	323	4	54
(Over)/Underprovision of taxation in prior years	(110)	(79)	-	5
Overprovision of deferred taxation of prior years	(60)	(4)	-	-
	532	1,020	10	13

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

24. TAXATION (CONT'D)

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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Unutilised tax losses to be carried forward until:				
- Year of assessment 2028	605	1,050	293	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	1,219	1,209	225	224
- Year of assessment 2034	106	-	-	-
	6,149	6,478	1,704	2,148

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	
	2024	2023
	RM'000	RM'000
Profit attributable to owners of the parent	340	1,660
Weighted average number of ordinary shares in issue ('000)	141,161	141,161
Basic earnings per ordinary share (sen):	0.24	1.18

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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

26. DIVIDENDS

	Group/Company	
	2024	2023
	RM'000	RM'000

Dividends recognised as distribution to ordinary shareholders of the Company:

Final dividends paid in respect of the financial year ended:

- 31 December 2022 (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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Salaries, wages and other emolument	7,300	6,953	3,031	2,821
Defined contribution plans	826	850	267	255
Other related expenses	177	260	73	50
Benefits-in-kind	26	32	26	32
	<u>8,329</u>	<u>8,095</u>	<u>3,397</u>	<u>3,158</u>

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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Executive Directors				
Salaries, wages and other emolument	1,780	1,303	1,780	1,303
Defined contribution plans	116	72	116	72
Benefits-in-kind	26	32	26	32
	<u>1,922</u>	<u>1,407</u>	<u>1,922</u>	<u>1,407</u>

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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					
2024					
Lease liabilities	647	931	(407)	(223)	948
2023					
Lease liabilities	755	255	(345)	(18)	647

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

(ii) Other changes include termination of lease contracts and exchange differences.

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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

29. RELATED PARTY DISCLOSURES (CONT'D)

(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:

	2024 RM'000	2023 RM'000
Group		
Rental paid		
- Kumsan Enterprise (M) Sdn. Bhd.	(144)	(144)
- Mr Cher Hwee Seng	(120)	(120)
- Sim Ah Choon#	(60)	(60)
Company		
Management fee income		
- SCC Corporation Sdn. Bhd.	2,520	2,520
- Anitox (M) Sdn. Bhd.	636	636
- SCC Food Manufacturing Sdn. Bhd.	300	300
- Positive Insight Sdn. Bhd.	336	336
Dividend income		
- Anitox (M) Sdn. Bhd.	-	1,600

Spouse of Mr Cher Sew Seng

(c) Compensation of key management personnel

The key management personnel compensation is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Directors of the Company				
Executive:				
Salaries and other emoluments	1,780	1,303	1,780	1,303
Defined contribution plans	116	72	116	72
	1,896	1,375	1,896	1,375
Benefits-in-kind	26	32	26	32
	1,922	1,407	1,922	1,407
Non-Executive:				
Fees	96	86	96	86
Benefits-in-kind	6	4	6	4
	2,024	1,497	2,024	1,497
Other key management personnel				
Salaries and other emoluments	1,780	1,303	1,780	1,303
Defined contribution plans	116	72	116	72
	1,896	1,375	1,896	1,375
Total	3,920	2,872	3,920	2,872

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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
2024						
Revenue						
External customers	22,495	31,085	5,425	59,005	(1,809)	57,196
Inter-segment:						
- Trading sales	1,049	-	-	1,049	(1,049)	(A) -
- Management fee	-	-	3,792	3,792	(3,792)	(A) -
Total revenue	23,544	31,085	9,217	63,846	(6,650)	57,196
Results						
Dividend income	-	1	-	1	-	1
Fair value gain on financial assets	-	120	308	428	-	428
Gain on termination of lease contracts	-	-	17	17	-	17
Interest income	-	34	79	113	-	113
Rental income	-	240	238	478	(288)	(B) 190
Reversal of impairment loss on trade receivables	13	-	-	13	-	13
Unrealised gain on foreign exchange	-	-	57	57	(81)	(B) (24)
Miscellaneous income	177	10	16	203	-	203
Inventories written off	(35)	-	-	(35)	-	(35)
Amortisation of right-of-use assets	(180)	(47)	(195)	(422)	-	(422)
Depreciation of property, plant equipment	(3)	(106)	(363)	(472)	(83)	(555)
Depreciation of investment properties	-	(35)	(66)	(101)	83	(18)
Impairment loss on trade receivables	(145)	-	-	(145)	-	(145)
Interest expense	(38)	(17)	(28)	(83)	-	(83)
Unallocated corporate expenses	(24,084)	(29,128)	(9,627)	(62,839)	6,832	(B) (56,007)
	(24,295)	(28,928)	(9,564)	(62,787)	6,463	(56,324)
Segment (loss)/profit	(751)	2,157	(347)	1,059	(187)	872

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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
2024						
Assets						
Additions to non-current assets	-	257	215	472	-	472
Tax recoverable	240	287	306	833	-	833
Segment assets	8,966	15,216	57,517	81,699	(28,667)	53,032
	9,206	15,760	58,038	83,004	(28,667)	54,337
Liabilities						
Deferred tax liabilities	-	-	82	82	-	82
Segment liabilities	1,717	3,978	13,027	18,722	(12,462)	6,260
	1,717	3,978	13,109	18,804	(12,462)	6,342
Capital expenditure						
Property, plant and equipment	-	257	215	472	-	472

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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
Bad debts written off	(9)	-	-	(9)	-	(9)
Amortisation of right-of-use assets	(31)	-	(329)	(360)	-	(360)
Depreciation of property, plant and equipment	(1)	(71)	(510)	(582)	-	(582)
Depreciation of investment properties	-	(9)	(9)	(18)	-	(18)
Property, plant and equipment written off	-	-	(6)	(6)	-	(6)

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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)	-
Impairment loss on trade receivables	(1)	-	(25)	(26)	-	(26)
Goodwill written off	-	-	-	-	(8)	(8)
Interest expense	(7)	-	(51)	(58)	-	(58)
Unallocated corporate expenses	(19,735)	(27,301)	(12,415)	(59,451)	6,760	(52,691)
	(19,599)	(26,992)	(12,105)	(58,696)	6,019	(52,677)
Segment profit	(29)	1,928	2,175	4,074	(1,394)	2,680
2023						
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)	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)	6,279
	-	3,318	15,383	18,701	(12,318)	6,383
Capital expenditure						
Property, plant and equipment	-	320	88	408	-	408

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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 1 (2023: Nil) major customers which individually contributed more than 5% of the Group revenue from the food service equipment segment which amounted to RM4,179,530 (2023: RMNil).

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				
2024				
Financial Assets				
Investment securities	-	-	91	91
Trade receivables	13,237	-	-	13,237
Other receivables	347	-	-	347
Other investments	-	11,954	-	11,954
Cash and bank balances	4,871	-	-	4,871
Total financial assets	18,455	11,954	91	30,500
Financial Liabilities				
Trade payables	2,929	-	-	2,929
Other payables	2,345	-	-	2,345
Lease liabilities	948	-	-	948
Total financial liabilities	6,222	-	-	6,222

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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
Company				
2024				
Financial Assets				
Other receivables	2	-	-	2
Amount due from subsidiary companies	5,759	-	-	5,759
Other investments		4,359	-	4,359
Cash and bank balances	299	-	-	299
Total financial assets	6,060	4,359	-	10,419
Financial Liability				
Other payables	35	-	-	35
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				
2023				
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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

31. FINANCIAL INSTRUMENTS (CONT'D)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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)

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.

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			
2024			
Current	5,940	(1)	5,939
<i>Past due or not impaired</i>			
- Less than 30 days	2,741	(7)	2,734
- 31 to 60 days	2,142	(6)	2,136
- 61 to 90 days	557	-	557
- more than 90 days	1,937	(66)	1,871
	13,317	(80)	13,237
Credit impaired			
More than 90 days			
- Individually impaired	113	(113)	-
	13,430	(193)	13,237
2023			
Current	6,686	(1)	6,685
<i>Past due or not impaired</i>			
- 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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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			
2024			
At 1 January	24	37	61
Impairment loss recognised	56	89	145
Impairment loss reversed	-	(13)	(13)
At 31 December	80	113	193
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

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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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					
2024					
Non-derivative financial liabilities					
Trade payables	2,929	-	-	2,929	2,929
Other payables	2,345	-	-	2,345	2,394
Lease liabilities	415	247	417	1,079	948
	<u>5,689</u>	<u>247</u>	<u>417</u>	<u>6,353</u>	<u>6,271</u>
2023					
Non-derivative financial liabilities					
Trade payables	3,735	-	-	3,735	3,735
Other payables	1,895	-	-	1,895	1,897
Lease liabilities	347	269	85	701	647
	<u>5,977</u>	<u>269</u>	<u>85</u>	<u>6,331</u>	<u>6,279</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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"), Chinese Yuan (CNY) and Euro Dollar ("EUR"). 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	CNY RM'000	EUR RM'000	Total RM'000
Group				
2024				
Financial Assets				
Trade receivables	161	-	-	161
Other receivables	1,137	75	20	1,232
Cash and bank balances	396	-	-	396
	<u>1,694</u>	<u>75</u>	<u>20</u>	<u>1,789</u>
Financial Liability				
Trade payables	(19)	-	(58)	(77)

	USD RM'000	EUR 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
	<u>2,656</u>	<u>145</u>	<u>2,801</u>
Financial Liability			
Trade payables	(1,270)	(63)	(1,333)

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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, CNY and EUR exchange rates against RM, with all other variables held constant.

Group	Change in currency rate	Effect on profit before taxation	
		2024 RM'000	2023 RM'000
USD	Strengthened 5%	84	69
	Weakened 5%	(84)	(69)
CNY	Strengthened 5%	4	-
	Weakened 5%	(4)	-
EUR	Strengthened 5%	(2)	5
	Weakened 5%	2	(5)

(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	
	2024 RM'000	2023 RM'000

Fixed rate instrument

Financial Liability

- Lease liabilities

948

647

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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

31. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Market risks (Cont'd)

(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 RM119,540 (2023: RM76,280) 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 RM1,120 (2023: RM760) 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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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			
2024			
Financial Assets			
Investment securities	91	91	91
Other investments	11,954	11,954	11,954
2023			
Financial Assets			
Investment securities	75	75	75
Other investments	7,628	7,628	7,628
Company			
2024			
Financial Asset			
Other investments	4,359	4,359	4,359
2023			
Financial Asset			
Other investments	3,008	3,008	3,008

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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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. 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 16 April 2025.

LIST OF PROPERTIES

Location of Property	Description (Existing Use)	Land Area Buildup Area (Sq ft.)	Tenure	Age of Building	Net Book Value as at 31.12.2024	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	28 years	RM609,014	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	18 years	RM307,253	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	18 years	RM307,253	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	22 years	RM281,785	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	22 years	RM267,054	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	54 years	RM231,393	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	28 years	RM210,985	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	28 years	RM1,395,000	July 2021

ANALYSIS OF SHAREHOLDINGS

AS AT 28 MARCH 2025

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
69	Less than 100	1,872	*
108	100 to 1,000	48,801	0.03
360	1,001 to 10,000	2,080,890	1.47
439	10,001 to 100,000	15,464,380	10.96
102	100,001 to less than 5% of issued shares	61,669,121	43.69
4	5% and above of the issued shares	61,895,076	43.85
1,082	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.	Chee Long Sing @ Cher Hwee Seng	19,830,000	14.05
2.	Cher Sew Seng	19,397,847	13.74
3.	Chee Long Sing @ Cher Hwee Seng	14,186,784	10.05
4.	Goh Ah Heng @ Goh Keng Chin	8,480,445	6.01
5.	JCBNEXT Berhad	6,233,100	4.42
6.	Moke Joan Moon	4,527,950	3.21
7.	Soh Kian Teck	4,459,596	3.16
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.	Sim Mui Khee	1,916,100	1.36
14.	Yee Kim Ee	1,779,330	1.26
15.	Khor Meow Siang	1,368,000	0.97
16.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tee Chee Chiang (8073610)	1,155,600	0.82
17.	Cher Lip Ter	1,115,100	0.79
18.	CIMB Group Nominees (Asing) Sdn. Bhd. - Exempt an for DBS Bank Ltd. (SFS)	1,112,900	0.79
19.	Cher Lip Chun	1,024,802	0.73
20.	Lai Thiam Poh	908,300	0.64
21.	Tey Ser Kok @ Teh Ser Kok	825,000	0.58
22.	Ng Kim Yuen	745,000	0.53
23.	Goh Foi Tee	743,800	0.53
24.	Cher Chou Chiang	740,000	0.52
25.	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 (%)
26.	Lee Keng Fah	585,400	0.41
27.	Lim Chee Chin @ Lim Ching Sin	550,000	0.39
28.	Lai Boon Kiat	500,000	0.35
29.	Kor Beng	495,000	0.35
30.	Siow Kin Leong	495,000	0.35
		109,110,192	77.30

SUBSTANTIAL SHAREHOLDERS (AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

	Name of Shareholders	No. of Shares Held			
		Direct	%	Indirect	%
1.	Chee Long Sing @ Cher Hwee Seng	34,016,784	21.10	205,989**	1.46
2.	Cher Sew Seng	19,397,847	13.74	-	-
3.	Goh Ah Heng @ Goh Keng Chin	8,480,445	6.01	-	-

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)

	Name of Directors	No. of Shares Held			
		Direct	%	Indirect	%
2.	Cher Lip Chun	1,024,802	0.73	35,197,884#	24.94
3.	Cher Sew Seng	19,397,847	13.74	1,482,500##	1.05
4.	Cher Lip Ter	1,115,100	0.79	35,107,586#	24.87
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 father's, his brother's and his spouse's direct shareholding in SCC.

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 25th 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 **Friday, 23 May 2025 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 2024 (“**FYE2024**”) together with the Report of the Directors and Auditors thereon. **(See Explanatory Note 8)**

2. To declare a Final Single-Tier Dividend of 1 sen per share for the FYE2024 as recommended by the Directors. **Ordinary Resolution 1
(See Explanatory Note 9)**

3. To approve the payment of Directors’ fees and benefits payable of up to RM102,000 for the financial year ending 31 December 2026 payable in arrears after each month of completed service of the Directors during the financial year be and is hereby approved. **Ordinary Resolution 2
(See Explanatory Note 10)**

4. To re-elect the following Directors, who retire by rotation pursuant to Clause 165 of the Company’s Constitution and who being eligible, have offered themselves for re-election: **(See Explanatory Note 11)**
 - (i) Datuk Wira Dr. Goy Hong Boon; and **Ordinary Resolution 3**
 - (ii) Mr. Cher Sew Seng. **Ordinary Resolution 4**

5. To re-appoint UHY Malaysia PLT as Auditors of the Company for the financial year ending 31 December 2025 and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5
(See Explanatory Note 12)**

AS SPECIAL BUSINESS

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

6. **Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016 (“CA 2016”)** **Ordinary Resolution 6
(See Explanatory Note 13)**

“**THAT** subject always to the Companies Act 2016, the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) 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 Companies Act 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 Securities 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**”);

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

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 Companies Act 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.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the shareholders at the forthcoming 25th AGM, a Final Single-Tier Dividend of 1.0 sen per share will be paid on 13 June 2025 to the shareholders whose names appear in the Record of Depositors at the close of business on 29 May 2025.

A depositor shall qualify for entitlement only in respect of:

- (a) shares transferred to the Depositor's Securities Account before 4.30 p.m. on 29 May 2025 in respect of transfers; and
- (b) shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

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: 23 April 2025

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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 16 May 2025 (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 FYE2024

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. Final Single-Tier Dividend

With reference to Section 131 of the CA 2016, a company may only make a distribution to the shareholders out of profits of the company available if the company is solvent. On 25 February 2025, the Board had considered the amount of dividend and decided to recommend the same for the shareholders' approval.

The Board is satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within twelve (12) months immediately after the distribution is made on 13 June 2025 in accordance with the requirements under Sections 132(2) and (3) of the CA 2016.

10. 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 Resolution 2 is to facilitate payment of Directors' fees and benefits for the financial year ending 31 December 2026.

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.

11. Re-election of Directors

The Proposed Ordinary Resolutions 3 and 4 in Agenda 4, if passed, will allow Datuk Wira Dr. Goy Hong Boon ("**Datuk Wira**") and Mr. Cher Sew Seng ("**Mr. Francis Cher**") ("**Retiring Directors**"), who re-elected and continued acting as Directors of the Company. Datuk Wira and Mr. Francis Cher are being eligible and have offered themselves for re-election at this AGM pursuant to Clause 165 of the Constitution.

For the purposes of determining the eligibility of Retiring Directors to stand for re-election at the 25th AGM, the Board of Directors through its Nomination Committee had assessed them and considered the following:

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

The profiles of Mr. Francis Cher and Datuk Wira are set out in the Directors' Profile section of the Annual Report 2024.

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.

12. Re-appointment of Auditors

The Audit and Risk Management Committee ("**ARMC**") had assessed the objectivity, suitability and independence of the External Auditors and recommended the re-appointment of UHY Malaysia PLT as External Auditors of the Company for the financial year ending 31 December 2025. The Board has reviewed the recommendation of the ARMC and recommended the same for the shareholders' approval at the 25th AGM of the Company.

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

Explanatory Notes on Special Business

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

The Ordinary Resolution 6 is proposed pursuant to Sections 75 and 76 of the Companies Act 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 28 May 2024 and it will lapse at the conclusion of the 25th 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 Act 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 6, they are waiving their pre-emptive rights pursuant to Section 85(1) of the Act, 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.

Personal Data Privacy:

By lodging of a completed Form of Proxy with the share registrar office of the Company for appointing proxy(ies) or corporate representative(s) or attorney(s) to attend, participate and vote at the 25th AGM and any adjournment thereof, a member of the Company is hereby:

- (i) consenting to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxy(ies) or corporate representative(s) or attorney(s) appointed for the 25th AGM (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to the 25th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");
- (ii) warranting that where the member discloses the personal data of the member's proxy(ies) or corporate representative(s) or attorney(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) or corporate representative(s) or attorney(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) or corporate representative(s) or attorney(s) for the Purposes ("**Warranty**"); and (iii) agreeing that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of the Warranty.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

**PURSUANT TO RULE 8.29(2) OF ACE MARKET LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD**

1. No individual is seeking elections as Directors at the 25th AGM.
2. The profiles of the Directors who are standing for re-election as in Agenda 4 of the Notice of the 25th AGM of the Company are set out in the Board of Directors' Profile section of this Annual Report 2024.
3. The details of the Directors' interests in the securities of the Company as at 28 March 2025 are set out in the Analysis of Shareholdings section of this Annual Report 2024.

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**SCC HOLDINGS BERHAD**Registration No. 200001008871 (511477-A)
(Incorporated in Malaysia)**FORM OF PROXY**

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 25th 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 **Friday, 23 May 2025 at 2.30 p.m.** or at any adjournment thereof.

ORDINARY RESOLUTIONS		FOR	AGAINST
1.	Declaration of Final Single-Tier Dividend		
2.	Payment of Directors' Directors' Fees and Benefits for the financial year ending 31 December 2026		
3.	Re-election of Datuk Wira Dr. Goy Hong Boon as Director of the Company		
4.	Re-election of Mr. Cher Sew Seng as Director of the Company		
5.	Re-appointment of Auditors		
6.	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 _____ 2025.

Signature(s) of member(s)

Notes:-

- 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.
- If a shareholder appoints more than 1 proxy, they must specify the proportion of the shareholder's shareholdings to be represented by each proxy.
- A proxy need not be a shareholder.
- 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.
- 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.
- In respect of deposited securities, only members whose names appear in the Record of Depositors on 16 May 2025 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this meeting.
- 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.

Fold this flap for sealing

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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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SCC HOLDINGS BERHAD

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58200 Kuala Lumpur, Malaysia.

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