



SCC HOLDINGS BERHAD
200001008871 (511477-A)

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BUILDING SUSTAINABLE COMMUNITY

ANNUAL REPORT 2025



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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.

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

Tan Tian Wooi
Independent Non-Executive Director

Puar Chin Jong
Independent Non-Executive Director

Lew Yen Peng
Independent Non-Executive Director

**AUDIT AND RISK MANAGEMENT
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

Jeremy Tai Yung Wei
(MAICSA 7065447)
(SSM PC 202308000580)

Thong Pui Yee
(MAICSA 7067416)
(SSM PC 202008000510)

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

Thelyx Malaysia PLT (AF 001929)
Chartered Accountants
10-05 Mercuri Aspire
No. 3, Jalan Bangsar, KL Eco City
59200 Kuala Lumpur
Wilayah Persekutuan (KL)

STOCK EXCHANGE LISTING

ACE Market
Bursa Malaysia Securities Berhad
Listed on 3 August 2010

CORPORATE STRUCTURE



SCC HOLDINGS BERHAD

200001008871 (511477-A)

100%

ANITOX (M) SDN BHD

199101003611 (213921-M)

100%

SCC FOOD
MANUFACTURING SDN BHD

200701036166 (794195-W)

100%

S-CENERGY CO., LTD
(Cambodia)

100%

SCC CORPORATION
SDN BHD

197401000717 (17769-T)

100%

POSITIVE INSIGHT SDN BHD

201401024048 (1100136-D)

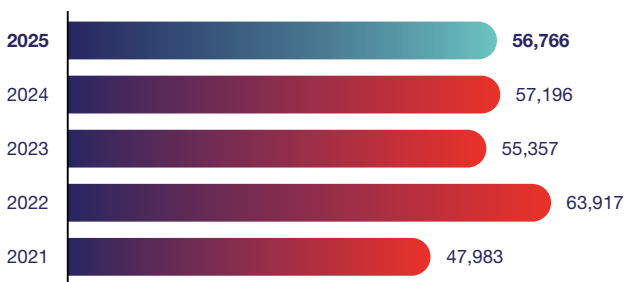
FINANCIAL HIGHLIGHTS

GROUP FIVE-YEAR FINANCIAL SUMMARY

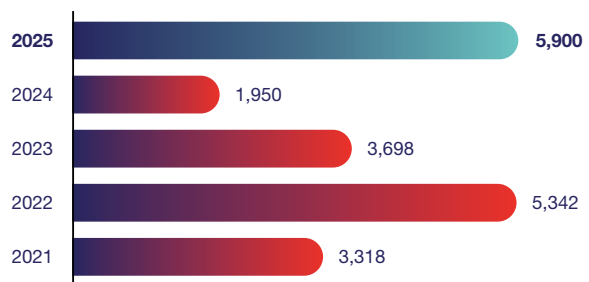
Financial Year Ended 31 December	2025	2024	2023	2022	2021
Revenue (RM'000)	56,766	57,196	55,357	63,917	47,983
EBITDA* (RM'000)	5,900	1,950	3,698	5,342	3,318
Profit for the Year Attributable to Equity Holders (RM'000)	3,509	340	1,660	2,554	1,730
Profit for the Year Margin (%)	6.18	0.59	3.00	4.00	3.61
Shareholder's Equity (RM'000)	50,148	47,995	47,618	47,394	46,276
Return on Shareholders' Equity (%)	7.00	0.71	3.49	5.39	3.74
Basic Earnings Per Share (sen)	2.49	0.24	1.18	1.81	1.23
Interim and Special Dividend Per Share (sen)	1.00	-	-	1.00	1.00
Group PBT (RM'000)	4,831	872	2,680	4,363	2,326
Group PAT (RM'000)	3,509	340	1,660	2,554	1,730
Dividend (RM'000)	1,411	-	-	1,412	1,412
Dividend Trend	40.21%	0.00%	0.00%	55.29%	81.62%

*Earnings before Interest, Tax, Depreciation & Amortisation

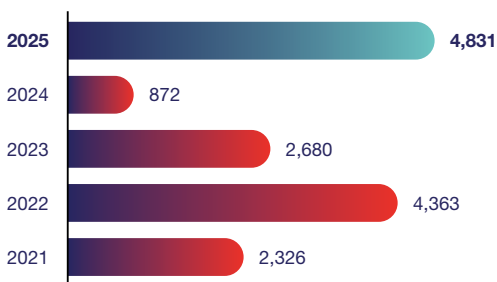
REVENUE (RM'000)



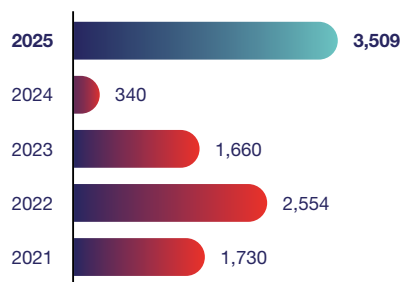
EBITDA (RM'000)



GROUP PBT (RM'000)



GROUP PAT (RM'000)



DIRECTORS' PROFILE

DATUK WIRA DR. GOY HONG BOON **Non-Independent Non-Executive Chairman**



He is currently serving as Chairman of the Board. He was appointed to our Board on 1st April 2010 as an Independent Non-Executive Director, re-designated as a 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** **Key Senior Management**



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.

CHER SEW SENG (FRANCIS CHER)

Deputy Managing Director

Key Senior Management



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

Mr. Francis Cher is a cofounder of the Group. He is assisting the Managing Director in the overall business strategies and management. He joined Cheong Cheng Trading Co. as a Sales Executive in 1972. Later in 1974, a private limited company, Syarikat Chang Cheng (M) Sdn Bhd, was formed to take over the business, which subsequently changed its name to SCC Corporation Sdn Bhd. He was appointed as 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

Key Senior Management



Mr. Bryan Cher was appointed to the board on 1st 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 24 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 all five (5) Board meetings held during the financial year.

TAN TIAN WOUI

Independent Non-Executive Director



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 (“MICPA”) and the Malaysia Institute of Accountants (“MIA”). 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



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 company listed on the ACE Market of Bursa Malaysia Securities Berhad 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.

LEW YEN PENG (RACHEL)
Independent Non-Executive Director



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

Ms. Lew is the Head of Corporate and Institutional Sales at TA Investment Management Berhad, where she oversees investment and marketing activities for corporate and institutional clients. She has over 23 years of experience in investment management and portfolio strategy, having previously held roles at RHB Asset Management Sdn Bhd and AmFunds Management Berhad. Her experience also spans wealth management, branch operations and distribution, as well as risk management and compliance, gained through her tenure at RHB Bank, Standard Chartered Bank, and Citibank. Ms. Lew holds a Bachelor of Business (Banking and Finance) from the University of South Australia, obtained in 1999. She is a holder of a Capital Market Services Representative's License (CMSRL) since 2019 and a Premier Registered Financial Planner (Premier RFP) qualification since 2021. She has been a member of the Financial Planning Association of Malaysia (FPAM) since 2006.

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

She has no family relationship with any director and/or major shareholder 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 49, 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 75, 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 45, 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 2025 (“FYE2025”) 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 FYE2025, the Group faced one of its biggest challenges in managing the costs of imported goods amid fluctuations in the USD/MYR exchange rate. These currency movements impacted the cost of procurement and required careful management of pricing and margins. Despite these challenges, the Group was able to maintain stable revenue and achieved a significant improvement in gross profit and overall profitability throughout the year.

Review on Statement of Comprehensive Income

In FYE2025, the Group recorded revenue of RM56.80 million as compared to RM57.20 million in the preceding financial year. Revenue remained largely stable year-on-year with no material change in overall sales performance.

Despite the relatively unchanged revenue, the Group recorded a significant improvement in gross profit, which increased from RM13.81 million in FYE2024 to RM18.06 million in FYE2025, representing an increase of RM4.25 million or approximately 30.8%. Correspondingly, the Group’s gross profit margin improved from approximately 24.1% in FYE2024 to 31.8% in FYE2025. The improvement in gross profit was mainly attributable to favourable foreign exchange movements during the financial year. Favourable USD movements lowered purchase costs and improved gross profit margin.

In line with the higher gross profit recorded, the Group’s profit before tax (“PBT”) increased significantly to RM4.83 million in FYE2025 as compared to RM0.87 million in FYE2024, representing an increase of RM3.96 million. The substantial improvement in PBT was mainly driven by the stronger gross profit margin achieved during the financial year, while operating expenses remained relatively stable. As a result, the Group recorded a notable improvement in overall profitability for FYE2025 compared to the preceding financial year.

FINANCIAL PERFORMANCE REVIEW (CONT'D)

Review on Statement of Financial Position

Cash and bank balances, as well as other investments, increased compared to the previous year, mainly due to improved collection of trade receivables. Trade receivables decreased to RM11.71 million (FYE2024:RM13.24 million), enhancing cash flow, while other investments grew to RM12.90 million (FYE2024:RM11.95 million) from interest income and additional placements in the asset management portfolio, resulting in stronger overall liquidity for the Group.

WORKING CAPITAL, LIQUIDITY

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

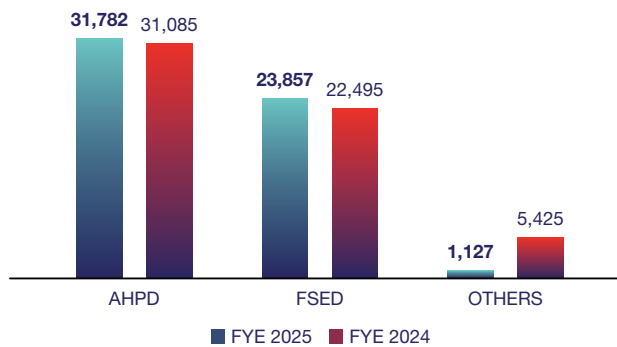
The financial prospect of the Group continues to be well guarded with its enviable zero gearing position which places it in a favourable financial position to capture any good opportunity to enhance our future growth prospect.

DIVIDEND

The Company issued a single tier interim dividend of RM 0.01 per ordinary share amounted to RM1,411,601.40 in respect of the FYE2025.

SEGMENTAL BUSINESS REVIEW / REVIEW OF OPERATING ACTIVITIES

Revenue by Segment



AHPD

During the financial year, sales of animal health products to the animal feed market remained broadly consistent with the preceding financial year, increasing marginally by 2.2% from RM31.09 million in FYE 2024 to RM31.78 million in FYE 2025. The relatively stable performance was mainly attributable to continued steady demand from feed manufacturers, supported by the stable performance of the livestock sub-sector in Malaysia, which continued to record sustained demand for livestock and related products to meet domestic consumption and industrial requirements.

Going forward, 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.

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

FSED

FSED's revenue increased to RM23.86 million in FYE2025 (FYE2024:RM22.50 million), representing a growth of 6.0%. The growth was supported by improving consumer sentiment and the easing of earlier market challenges, contributing to a recovery in the overall market. The division also successfully expanded its customer base, gaining a number of new local clients driven by a strengthened focus on domestically owned food and beverage operators. In addition, strategic efforts to enhance the product portfolio and the implementation of innovative, targeted initiatives further reinforced revenue growth during the year.

Looking ahead, the division remains focused on expanding its product offerings and implementing targeted initiatives to capture emerging opportunities and drive continued revenue growth.

SCCFM

In FYE 2025, the food manufacturing division recorded revenue of RM1.13 million, a decline from RM3.62 million in FYE 2024. The significant decrease was mainly attributable to lower sales in the food supplies segment, although international orders were successfully secured towards end of the year.

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 market.

ANTICIPATED OR KNOWN RISKS

Business Risks

While operating in an increasingly competitive business environment, the Group continues to face intense competition from competitors seeking to capture market share, particularly in 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. As part of the Group's risk management policy, inventory buffers have been maintained to mitigate temporary shortages or delivery disruptions. Any significant disruption in the supply of materials may result in delays in delivering products to customers and could adversely affect the Group's 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.



ANTICIPATED OR KNOWN RISKS (CONT'D)

Exposure To Credit Risk

The Group's exposed to credit risk arises primarily from trade receivable. It is the Group's objective 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

Notwithstanding the ongoing economic challenges, the Group remains cautiously optimistic about its future prospects, supported by favourable foreign exchange conditions. 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 stronger revenue growth and improved profitability, as the Group maintains greater control over its cost structure.

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

SCC Holdings Berhad (“SCC” or “the Group”) continues to drive sustainable value across the livestock and food-service sectors by prioritising safe, responsible, and future-ready practices. Building on its transition to non-antibiotic “clean feed” solutions since 1990, the Group supports healthier livestock, safer food, and reduced environmental impact through natural, science-based feed additives and advanced antimicrobial technologies. Complemented by its Foodservice Equipment Division, which promotes efficient and reliable food-service operations, SCC remains committed to enhancing food safety, resource efficiency, and long-term resilience across the agricultural and Food and Beverage (“F&B”) value chains.

This Sustainability Statement (“the Statement”) underscores our commitment to embedding Environmental, Social, and Governance (“ESG”) principles into every aspect of our operations. Sustainability forms the foundation of how we conduct business by guiding our strategies, driving responsible growth, and ensuring long-term value creation for our customers, communities, and stakeholders.

REPORTING SCOPE AND BOUNDARIES

The information and data presented reflect the Group’s sustainability initiatives and outcomes for the financial period from 1st January 2025 to 31st December 2025 (“FYE 2025”) providing an overview of SCC’s sustainability initiatives and performance. Through this report, SCC reaffirms its commitment to transparency, accountability, and responsible business practices.

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

Foodservice Equipment Division (“FSED”)

Focuses on the sourcing, distribution, and maintenance of equipment related to foodservice industries.



REPORTING SCOPE AND BOUNDARIES (CONT'D)

Animal Health Product Division (“AHPD”)

Deals with the importation, formulation, and distribution of animal health products, including pathogen controls, natural growth supplements and non-antibiotics feed additives.



GUIDELINES AND STANDARDS

This Statement has been prepared in accordance with the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad and Global Reporting Initiatives (“GRI”) standards.

The Bursa Guidelines ensure adherence to local regulatory requirements, while the GRI Standards offer an internationally recognised structure for reporting on key areas such as resource efficiency, supply chain management, and employee welfare.

ASSURANCE

SCC upholds the accuracy, reliability, and transparency of the FYE 2025 Sustainability Report by aligning our disclosures with the Bursa Malaysia Sustainability Reporting Guidelines and GRI Standards. The information presented is prepared based on internally compiled data and management verification processes to ensure it reasonably reflects our sustainability impacts, risks, and opportunities.

This Sustainability Report has not been subject to an independent external assurance review. SCC will continue to strengthen its reporting processes over time to enhance data robustness, accountability, and stakeholder confidence.

FEEDBACK

We are committed to enhancing our engagement with stakeholders and value the feedback that supports our ongoing sustainability efforts. For comments or enquiries, please contact us at ir@scc.com.my (Mr Wong).

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 labour practices and supporting employee development through training and well-being programmes. • Community Engagement: Contributing to local communities through social initiatives, educational programmes, and charity partnerships, with a focus on improving quality of life. • Health and Safety: Prioritising 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 labour 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 PLEDGE



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.

The Group engages with stakeholders, including employees, customers, and business partners, through structured consultation and collaboration processes. It implements continuous improvement measures and develops initiatives intended to support environmental and social objectives.

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 ALLIGNMENT WITH UNSDG GOALS



UNSDG Goals

SDG 8: Decent Work and Economic Growth

SCC prioritises employee welfare, fair labour practices, and sustainable economic growth. By fostering innovation and ensuring a safe, inclusive, and fair workplace, the Group contributes to the promotion of decent work and sustainable economic development.



SDG 9: Industry, Innovation, and Infrastructure

With its focus on delivering innovative products and services, SCC supports sustainable industrialisation 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 implements initiatives to reduce waste, improve resource efficiency, and apply sustainable production practices, including the integration of circular economy principles into its operations, the Group aligns with SDG 12, promoting sustainability across its value chain.



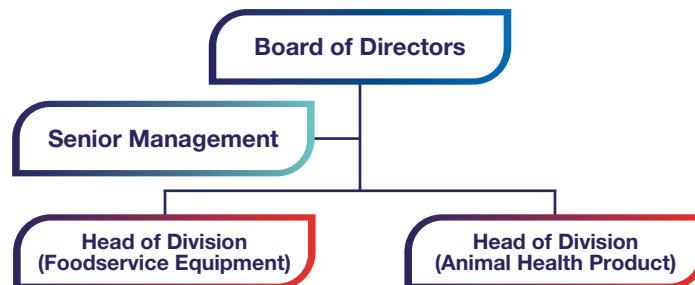
MOVING FORWARD WITH PURPOSE

SCC remains committed to embedding sustainability across our operations, guided by our values of integrity, collaboration, and continuous improvement. We continue to minimise our environmental footprint, uphold responsible sourcing practices, and support the well-being of the communities we serve, ensuring that our growth is aligned with sustainable and ethical principles.

By strengthening partnerships and embracing innovation, we strive to deliver long-term value for our stakeholders while advancing sustainability as a collective responsibility. With clarity of purpose and a forward-looking mindset, SCC aims to foster a future where business performance and sustainable progress develop in alignment, guided by continuous improvement and responsible practices.

SUSTAINABILITY GOVERNANCE STRUCTURE

SCC recognises that strong sustainability governance is fundamental to advancing its ESG commitments. While a dedicated Sustainability Committee has not yet been established, sustainability oversight is embedded within the Group's broader governance structure to ensure alignment with corporate priorities and regulatory expectations.



SUSTAINABILITY GOVERNANCE STRUCTURE (CONT'D)

The Board of Directors provides strategic direction and oversight for the Group's sustainability agenda, while senior management is responsible for identifying material ESG matters, evaluating associated risks and opportunities, and integrating sustainable practices across operations. This collaborative approach ensures that sustainability remains a core consideration in business planning and execution.







Anchored by our values of integrity, collaboration, and continuous improvement, SCC remains committed to transparency and accountability in pursuing its sustainability objectives. As the Group continues to evolve, we aim to further enhance our governance practices to support long-term value creation and contribute meaningfully to a more sustainable future.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement remains a key pillar of SCC's sustainability approach for FYE 2025. Through consistent and meaningful dialogue, we gather insights that inform our strategies, support responsible decision-making, and strengthen our relationships with those who matter most to our business. In line with our commitment to transparency and accountability, our engagement efforts are designed to address the diverse expectations of our stakeholder groups.

These efforts include regular meetings with suppliers, customers, and industry partners to discuss shared objectives, operational challenges, and opportunities for collaboration. We also conduct annual general meetings ("AGM") to keep shareholders informed and provide a platform for open and constructive discussion. In addition, our Investor Relations website offers real-time updates and serves as an accessible communication channel for stakeholders.

Together, these initiatives reinforce SCC's dedication to accountability, collaboration, and shared progress as we continue advancing our sustainability agenda.

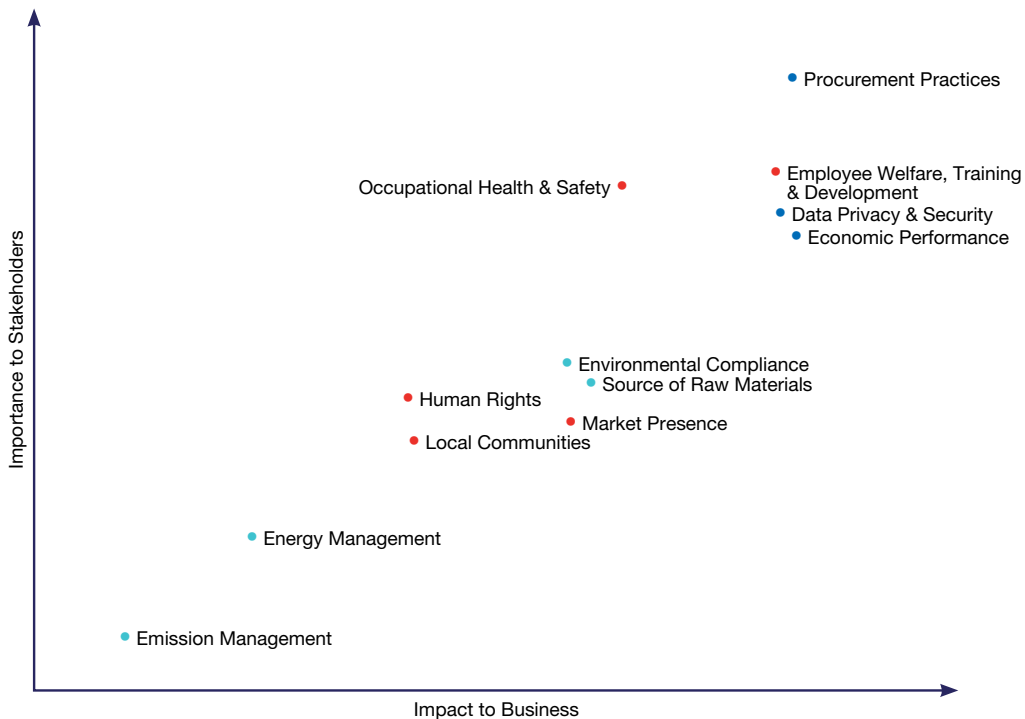
Stakeholder Group	Engagement Methods	Purpose	Frequency
 Suppliers	Regular meetings and discussions	Foster ethical sourcing, discuss operational needs	Annually
 Customers	Feedback sessions, service evaluations	Improve customer satisfaction and address concerns	Monthly/Quarterly
 Shareholders	Annual General Meetings (AGMs), IR Website	Provide updates on performance and sustainability	Annually/Quarterly
 Employee	Internal surveys, town hall meetings	Enhance workplace culture and address staff needs	Monthly/Quarterly
 Local Community	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

MATERIALITY ASSESSMENT

At SCC, the materiality assessment forms a critical foundation of our sustainability framework, enabling us to identify and prioritise the economic, environmental, and social matters most relevant to our business and stakeholders. Through a structured evaluation process, we ensure that our sustainability focus areas reflect stakeholder expectations, emerging industry trends, and the evolving operating landscape.

The assessment incorporates stakeholder engagement, analysis of sector developments, and an examination of our operational impacts to determine material topics that shape our strategies and disclosures. The outcomes of this process support informed decision-making and reinforce our commitment to transparency, accountability, and the creation of long-term value.

MATERIALITY MATRIX



Indicators		
Environment	Social	Governance
Energy Management	Local Communities	Economic Performance
Emission Management	Employee Welfare, Training & Development	Procurement Practices
Waste Management	Human Rights	Data Privacy & Security
Environmental Compliance	Occupational Health & Safety	
Source of Raw Materials	Market Presence	

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

MATERIALITY ASSESSMENT (CONT'D)

Material Matters	Descriptions
ENVIRONMENT	
Energy Management	Energy management involves monitoring and reducing energy consumption through efficiency measures and sustainable energy use.
Emission Management	Emission management focuses on minimising greenhouse gas emissions and other pollutants to reduce the Group's environmental footprint.
Waste Management	Addresses the reduction, recycling, and responsible disposal of waste generated from operations.
Environmental Compliance	Ensures that the Group adheres to all applicable environmental laws, regulations, and standards.
Source of Raw Materials	Emphasises transparency and sustainability management in how the Group ensures ethical and environmentally responsible sourcing.
SOCIAL	
Local Communities	Represent the Group's commitment to engaging with and supporting the well-being of the communities where it operates.
Employee Welfare, Training and Development	Efforts to ensure a safe, supportive workplace and opportunities for staff growth and skill enhancement.
Human Rights	Reflect the Group's dedication to fair labour practices, non-discrimination, and respect for individual freedoms across its operations and supply chain.
Occupational Health & Safety	Creating a safe working environment through preventive measures, training, and health monitoring.
Market Presence	Indicates SCC visibility, influence, and competitiveness within its industry and geographic markets.
GOVERNANCE	
Economic Performance	Economic performance reflects the Group's ability to generate sustainable financial returns and create long-term value for shareholders and stakeholders.
Procurement Practices	How the Group sources goods and services, emphasising ethical supplier relationships and responsible purchasing.
Data Privacy & Security	Protecting sensitive information from unauthorised access and ensuring compliance with data protection regulations.

SUSTAINABILITY PERFORMANCE TARGETS

SCC believes that measurable goals are essential to drive meaningful progress. This section outlines the material matters that shape our sustainability journey, alongside the targets we have set, and the progress achieved in 2025. Each commitment reflects our determination to embed ESG principles into our operation. The table below shows our sustainability targets and our performance as of FYE 2025.

Material Matters	Target	2025 Progress
Environmental Compliance	100% environmental compliance	100%
Occupational Health & Safety	Aim for zero incident at workplace	0
Local Communities	More or equal to 1 CSR event	2
Employee welfare, training and development	More or equal to average 15 training hour per employee	21 training hour per employee

SUSTAINABILITY PERFORMANCE TARGETS (CONT'D)

Material Matters	Target	2025 Progress
Employee welfare, training and development	More than 3 employee event per year	3
Human rights	Aim for zero cases	0
Data Privacy & Security	Aim for zero cases	0
Source of Raw Materials	100% halal certified for food material	100%
	Customer satisfaction more or equal to 98%	98%


ECONOMIC

SCC remains committed to generating and distributing economic value in a manner that supports sustainable growth and delivers long-term benefits to all stakeholders. Our approach is grounded in responsible business practices that strengthen operational resilience, promote equitable value sharing, and contribute positively to the communities in which we operate.

Through our Economic Value Generation and Distribution framework, SCC reinvests in business capabilities, innovation, and market development to ensure continued competitiveness. We provide fair and competitive compensation to employees, uphold our responsibilities to shareholders through stable returns, and support national and local development by contributing taxes and community-focused initiatives.

By maintaining transparency in how economic value is created, allocated, and reinvested, SCC reinforces stakeholder confidence and ensures that financial performance is aligned with broader sustainability commitments. This integrated approach strengthens our long-term economic resilience while supporting inclusive and sustainable progress for our stakeholders and society.

Item	Stakeholder	2023 RM'000	2024 RM'000	2025 RM'000
Revenue from the sale of goods		54,145	55,943	55,554
Revenue from providing services		1,211	1,254	1,212
Revenue from financial investments		275	275	275
Other Operating Income		622	448	543
Direct economic value generated		56,254	58,137	57,812
Economic Value Distributed				
Operating Expenses	Suppliers and Contractors	44,307	47,774	42,204
Wages and other payments to employees	Employees	9,342	9,152	10,635
Payments to providers of capital				
Payment to financial institutions		58	83	82
Payment to shareholders	Shareholders and Investors	-	-	-
Payment to creditors		44,307	47,774	42,204
Payment to Government including income tax expenses	Government Authorities	1,020	534	1,364
Community Investment	Local Communities	-	-	-
Economic Value Distributed				
Economic Value Retained		2,605	1,210	4,972

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



GOVERNANCE

SCC recognises that strong governance is fundamental to sustainable business performance and long-term value creation. The Group remains committed to upholding the highest standards of integrity, transparency, and accountability across its operations. To support this commitment, SCC has implemented a comprehensive suite of governance and sustainability policies that guide strategic decision-making, reinforce regulatory compliance, and cultivate a culture of ethical and responsible conduct.

ETHICAL PRACTICES AT SCC

SCC remains committed to the highest standards of ethics, integrity, and respect for human rights across its business activities. This commitment is reinforced through a comprehensive set of policies designed to uphold accountability, transparency, and responsible conduct.

Our Anti-Bribery and Anti-Corruption Policy ensure strict adherence to regulatory requirements, prohibiting all forms of bribery and corruption. Complementing this, our Whistleblowing Policy provides a secure and confidential avenue for employees and stakeholders to report misconduct without fear of retaliation.

SCC is equally committed to Fair Labour Practices, maintaining a workplace that is free from discrimination, forced labour, child labour, and any form of human rights infringement. We also uphold stringent Data Privacy measures, supported by established Data Breach Response Protocols to safeguard personal and business information and ensure prompt compliance in the event of any incident.

Through these ethical commitments, SCC reinforces a culture of integrity, inclusivity, and responsible governance, supporting sustainable long-term value creation for our stakeholders.

ANTI-BRIBERY AND CORRUPTION POLICY

SCC is firmly committed to upholding the highest standards of integrity and ethical conduct across all business activities. We enforce a strict zero-tolerance approach toward bribery and corruption, ensuring full compliance with the Malaysian Anti-Corruption Commission (MACC) Act 2009 and all applicable regulations.

Our Anti-Bribery and Anti-Corruption Policy clearly prohibit the offering, giving, or receiving of any form of bribe or improper advantage. This policy applies to all employees, directors, and third parties acting on behalf of SCC, and governs interactions with customers, suppliers, regulators, and other stakeholders.

To reinforce this commitment, SCC provides ongoing training and regular communication to enhance employee awareness of anti-corruption requirements and their responsibilities in upholding ethical standards. Strong internal controls and monitoring mechanisms are also in place to detect, prevent, and address any bribery-related risks.

Through these measures, SCC fosters a culture rooted in transparency, accountability, and trust, supporting responsible business practices across the organisation.

Anti Bribery and Anti-Corruption	FYE 2023	FYE 2024	FYE 2025
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

WHISTLE-BLOWING POLICY

SCC is committed to cultivating a culture of transparency, integrity, and accountability across all levels of the organisation. To reinforce this commitment, the Group has implemented a comprehensive Whistleblowing Policy that provides employees, stakeholders, and external parties with a secure and confidential platform to report any unethical behaviour, policy breaches, or legal non-compliance.

The policy enables individuals to raise concerns including fraud, corruption, harassment, or other forms of misconduct or without fear of retaliation. SCC is dedicated to safeguarding the anonymity and protection of whistleblowers, ensuring they are not subjected to discrimination, dismissal, or any adverse treatment for reporting in good faith.

All disclosures are handled impartially and reviewed by the designated Whistleblowing Committee, which ensures that appropriate corrective or disciplinary actions are taken where necessary. Any anonymous reports are also accepted through the Group's established whistleblowing channels by sending a letter to No. 2-1 Jalan Sri Hartamas 8, Sri Hartamas 50480 Kuala Lumpur Wilayah Persekutuan.

This framework reinforces SCC's commitment to ethical business conduct, strengthens organisational accountability, and builds trust with all stakeholders.

FAIR LABOUR PRACTICES

SCC maintains workplace policies addressing fairness, respect, and the protection of human rights. Its labour practices are governed by documented policies covering equality, non-discrimination, and workplace standards.

Across the past three financial years, SCC recorded no substantiated complaints relating to human rights violations. No incidents were recorded through internal reporting mechanisms during the reporting period. The Group prohibits forced labour, child labour, and other forms of exploitation, and conducts its operations in accordance with applicable local laws and relevant international standards.

SCC continues to implement policies and procedures intended to support fair treatment and ethical conduct within its workforce.

★ *SCC had zero Substantiated Complaints concerning human rights violations across three financial years*

PROCUREMENT PRACTICES

SCC considers responsible and ethical sourcing to be a core component of its sustainability governance framework. Its procurement activities are conducted in accordance with established standards of integrity, transparency, and accountability.

We prioritise working with suppliers who uphold strong ESG standards, including fair labour practices, respect for human rights, regulatory compliance, and responsible environmental management. Supplier due diligence is an integral part of our process, encompassing ethical conduct assessments, operational integrity reviews, and sustainability-related evaluations.

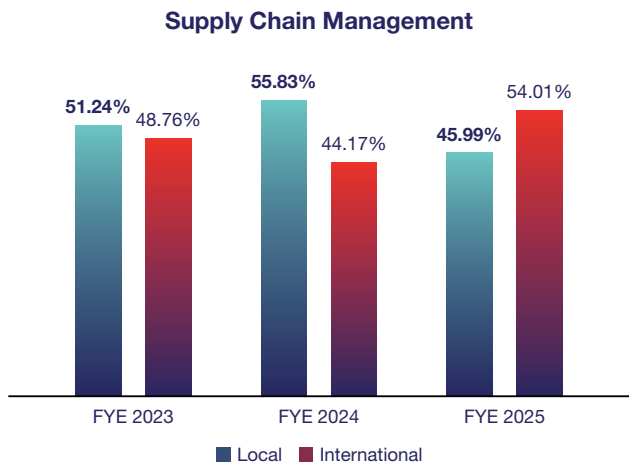
SCC remains committed to optimising its supply chain by balancing local and international sourcing to ensure efficiency, quality, and sustainability. Over the past three financial years, there has been a gradual shift toward local procurement, reflecting the Group's efforts to support domestic suppliers and reduce supply chain risks. This transition also contributes to shorter delivery cycles, lower emissions associated with transportation, and improved business resilience.

PROCUREMENT PRACTICES (CONT'D)

Our procurement governance framework outlines clear criteria for supplier selection, evaluation, and ongoing monitoring to prevent unethical behaviour such as bribery, labour exploitation, or regulatory non-compliance. SCC also encourages suppliers to strengthen their sustainability performance in alignment with the Group’s broader ESG aspirations.

Where applicable, SCC tracks key procurement indicators such as local sourcing proportions, supplier compliance rates, and the extent of ESG screening to enhance transparency and strengthen accountability. These measures support continuous improvement across our supply chain.

Through ethical sourcing and strong supplier partnerships, SCC reinforces its commitment to sustainable operations and responsible value creation throughout its value chain.



DATA PRIVACY AND DATA BREACH

SCC recognises data privacy and security as critical components of responsible governance and sustainable business practice. Protecting sensitive personal and business information is essential to maintaining stakeholder trust and ensuring compliance with applicable data protection regulations.

The Group adheres to comprehensive Data Privacy policies that govern the secure collection, storage, processing, and disposal of information. These policies are aligned with relevant legal requirements and industry best practices, reinforcing SCC’s commitment to ethical and transparent data management.

SCC maintains cybersecurity controls designed to protect information assets, including periodic system audits, system monitoring, and security measures intended to reduce the risk of unauthorised access, misuse, or data breaches. Regular employee training further strengthens organisational awareness and reinforces best practices in data handling and information security.

In the event of a data breach, SCC follows a structured and timely incident response protocol to contain potential risks, rectify vulnerabilities, and communicate promptly with affected individuals and regulatory authorities in accordance with legal obligations. Through strong governance, proactive risk mitigation, and transparent communication, SCC continues to uphold the highest standards of data privacy and security, ensuring the protection of stakeholders’ information and supporting long-term business resilience in the digital environment.

Data Privacy and Data Breach	FYE 2023	FYE 2024	FYE 2025
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0

ENVIRONMENTAL

EMISSION MANAGEMENT

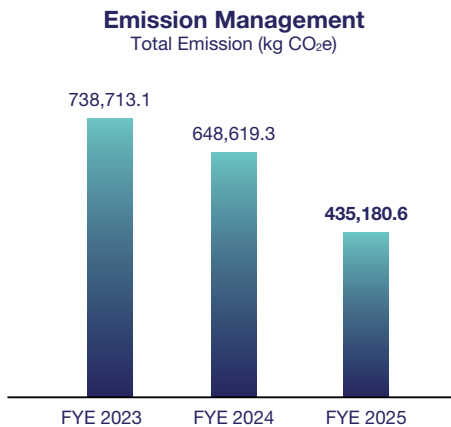
SCC is committed to managing its GHG emissions as part of its broader environmental and sustainability strategy. The Group adopts a structured approach to emissions management by identifying key emission sources across Scope 1, Scope 2, and relevant Scope 3 categories, and implementing measures to monitor, manage, and reduce its carbon footprint over time. This includes improving data collection processes, enhancing operational efficiency, and promoting awareness of climate-related impacts across the organisation.

By strengthening emissions tracking and aligning disclosures with recognised reporting frameworks, SCC aims to enhance transparency and support informed decision-making. While the Group continues to refine its methodologies and expand reporting boundaries, emissions management remains an integral component of SCC responsible environmental stewardship and continuous improvement.

SCC monitors its GHG emissions across Scope 1, Scope 2, and selected Scope 3 categories to provide a comprehensive view of its environmental impact. The summary below reflects total emissions based on available data for each reporting year.

Year	Scope 1 (kg CO ₂ e)	Scope 2 (kg CO ₂ e)	Scope 3 (kg CO ₂ e)	Total (kg CO ₂ e)
FYE 2023	164,236.0	572,984.3	1,492.8	738,713.1
FYE 2024	178,314.8	763,851.3	6,453.2	648,619.3
FYE 2025	223,870.0*	196,432.9	14,877.7	435,180.6

*Includes fugitive emissions of 3,405.9 kg CO₂e for FYE 2025.



Overall emissions decreased from 738,713.1 kg CO₂e in FYE 2023 to 435,180.6 kg CO₂e in FYE 2025, primarily driven by a significant reduction in Scope 2 emissions following improved energy management practices and lower electricity consumption.

Scope 1 emissions recorded an increasing trend over the reporting period, largely attributable to higher fuel consumption as well as the inclusion of fugitive emissions in FYE 2025, reflecting enhanced emissions tracking and reporting completeness.

Scope 3 emissions increased progressively, particularly from business travel and employee commuting, in line with higher operational activities and improved data coverage. Despite this increase, Scope 3 emissions remain a smaller proportion of SCC's overall emissions profile compared to Scope 1 and Scope 2.

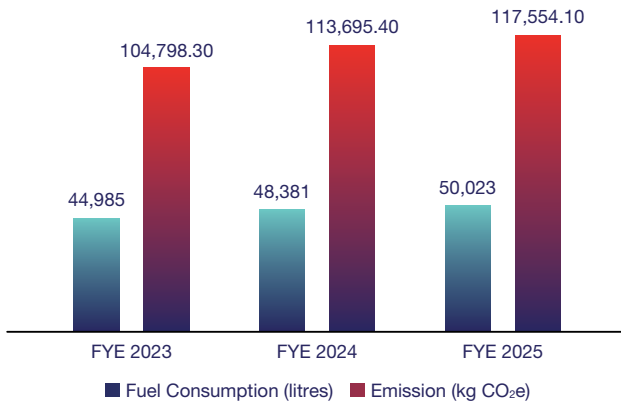
EMISSION MANAGEMENT (CONT'D)

SCOPE 1

Scope 1 emissions refer to direct greenhouse gas emissions from sources owned or controlled by SCC. These primarily arise from the combustion of diesel and petrol in Group operated vehicles and machinery, fugitive emissions from nitrogen used in operational processes, and refrigerant leakage from air-conditioning systems.

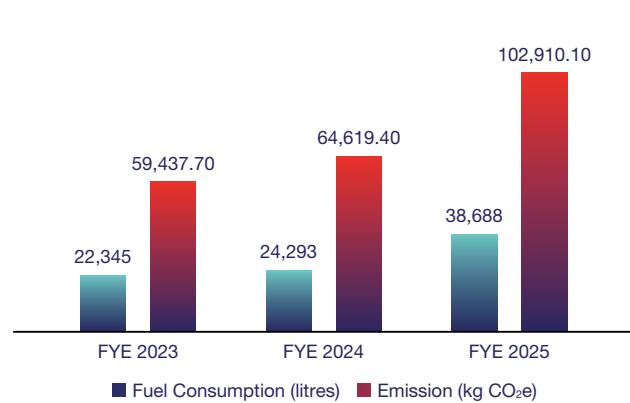
SCC remains committed to managing and reducing these emissions through targeted mitigation measures. This includes optimising fuel consumption, implementing proactive maintenance programmes to enhance equipment efficiency, and enforcing stringent handling and servicing procedures to minimise refrigerant leakage. These efforts underscore SCC’s dedication to operational efficiency, regulatory compliance, and contributing to broader climate-responsible practices.

Scope 1 Emission (Petrol)



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

Scope 1 Emission (Diesel)



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

Fuel consumption and corresponding emissions showed an overall increasing trend across the three financial years. Petrol usage rose steadily from 44,985 litres in FYE 2023 to 50,023 litres in FYE 2025, resulting in a gradual increase in petrol-related emissions.

Diesel consumption also increased, with a more notable rise in FYE 2025, reaching 38,688 litres compared to 24,293 litres in FYE 2024. This led to a significant increase in diesel emissions, which grew from 64,619.4 kg CO₂e in FYE 2024 to 102,910.1 kg CO₂e in FYE 2025.

Overall, the upward trend in fuel consumption and emissions reflects higher operational activity during the period. SCC will continue to monitor fuel usage and explore opportunities to improve fuel efficiency and manage emissions more effectively.

FUGITIVE EMISSIONS

Fugitive emissions refer to the unintended release of greenhouse gases from equipment such as refrigeration and air-conditioning systems. At SCC, fugitive emissions primarily arise from refrigerant usage in ceiling-type air-conditioning units across operational facilities. These emissions form part of the Group’s Scope 1 inventory, as they originate from assets under operational control.

During FYE 2025, SCC purchased new air-conditioning with R32 refrigerant gas to support cooling requirements. While R32 has a lower Global Warming Potential (“GWP”) compared with other traditional refrigerants, it remains a greenhouse gas that requires responsible handling and monitoring. The fugitive emissions were calculated using the UK DEFRA greenhouse gas conversion factors, while refrigerant leakage rates were referenced from IPCC guidelines to remain consistency with international best practices.

EMISSION MANAGEMENT (CONT'D)

FUGITIVE EMISSIONS (CONT'D)

Based on recorded usage and the adopted methodology, emissions from air-conditioning installation activities for FYE 2025 amounted to 32.5 kg CO₂e, while emissions from operational installations totalled 3,373.4 kg CO₂e. This results in total fugitive emissions of 3,405.9 kg CO₂e for FYE 2025.

	(kg CO ₂ e)
Emission from Aircon Installation	32.5
Emission from Operation Installation	3,373.4
Total Fugitive Emission	3,405.9

SCC aims to progressively strengthen its management of refrigerant-related emissions by improving maintenance schedules, enhancing technician awareness on proper handling procedures, and monitoring refrigerant usage trends across facilities. Moving forward, the Group seeks to explore opportunities to optimise cooling efficiency and evaluate lower-impact technologies where operationally feasible, supporting continuous improvement in environmental performance

SCOPE 2

ENERGY MANAGEMENT

Scope 2 emissions represent indirect greenhouse gas emissions resulting from the consumption of purchased electricity across SCC's operations. These emissions include energy used to power our facilities, equipment, and water-related processes.

SCC is committed to reducing its Scope 2 footprint by advancing energy efficiency and integrating sustainable practices into daily operations. Key initiatives include adopting energy-efficient technologies, enhancing operational controls to reduce unnecessary consumption, and evaluating opportunities to incorporate renewable energy solutions. These efforts support our long-term ambition to lower carbon intensity while strengthening the resilience and sustainability of our operations.

Year	Electricity Consumption (kWh)	Emission (kg CO ₂ e)
FYE 2023	755,916	572,984.30
FYE 2024	611,941	463,851.30
FYE 2025	259,146	196,432.90

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

SCC continues to strengthen its energy management approach through enhanced monitoring practices and improved data governance across its operations. Electricity consumption recorded 755,916 kWh in FYE 2023, 611,941 kWh in FYE 2024, and 259,146.40 kWh in FYE 2025, resulting in Scope 2 emissions of 572,984.30 kg CO₂e, 463,851.30 kg CO₂e, and 196,432.90 kg CO₂e respectively.

This trend reflects SCC's ongoing efforts to improve operational efficiency and optimise electricity usage through energy-saving initiatives and strengthened internal controls. Enhancements in data collection processes and broader operational monitoring have also contributed to more reliable and transparent reporting of energy performance.

SCC remains committed to advancing energy efficiency by adopting energy-efficient technologies, improving operational practices, and evaluating renewable energy opportunities. Moving forward, the Group aims to further refine energy monitoring systems and identify practical measures to reduce electricity intensity while supporting long-term environmental performance.

EMISSION MANAGEMENT (CONT'D)

SCOPE 2 (CONT'D)

WATER MANAGEMENT

SCC recognises water as a critical resource and is committed to managing its use responsibly across all operations. Effective water management is integral to our environmental governance, helping to reduce operational impact, conserve resources, and support the sustainability of the communities and ecosystems in which we operate.

Our approach involves monitoring and optimising water consumption, implementing efficient usage practices, and maintaining equipment to minimise wastage. Where feasible, we explore water recycling and reuse initiatives to reduce reliance on freshwater sources. SCC also engages employees and stakeholders to promote awareness of responsible water practices and integrates water stewardship considerations into operational planning and process improvements.

Through these initiatives, SCC demonstrates its commitment to sustainable resource management, operational efficiency, and environmental responsibility, aligning water usage with broader environmental and ESG objectives.

Year	Water Consumption (m ³)	Emission (kg CO ₂ e)
FYE 2023	1,572.20	292.02
FYE 2024	1,313.00	243.89
FYE 2025	12,238.12	2,264.90

**The emission factor is obtained from <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024> UK Government's Greenhouse Gas Reporting: Conversion Factors 2024. The factor used for water supply is 0.18507 kg CO₂e per m³.*

Water consumption decreased from FYE 2023 to FYE 2024, reflecting ongoing efforts to manage and optimise usage across operations. In FYE 2025, a significant increase in both water consumption and corresponding emissions was observed.

This increase is primarily attributable to improvements in data collection processes, including the inclusion of water usage from additional operational sites that were not covered in the previous reporting years. As a result, the FYE 2025 figures present a more comprehensive and representative view of SCC's overall water consumption.

The expanded data coverage enhances the accuracy, consistency, and transparency of SCC's environmental disclosures, while establishing a stronger baseline for future performance tracking and water efficiency initiatives.

SCOPE 3

BUSINESS TRAVELS (BY FLIGHT)

Scope 3 emissions include indirect greenhouse gas ("GHG") emissions that occur within SCC's value chain and are not directly controlled by the Group. Business travel by air represents one of the key categories of Scope 3 emissions, as it contributes to carbon emissions generated from fuel combustion by commercial airlines.

Monitoring emissions from air travel enables SCC to better understand the environmental impact associated with corporate mobility and regional business expansion. As our operational footprint and market presence grow, tracking travel-related emissions allows us to balance business development needs with environmental responsibility.

EMISSION MANAGEMENT (CONT'D)
SCOPE 3 (CONT'D)
BUSINESS TRAVELS (BY FLIGHT) (CONT'D)

Year	Total Distance Travelled (km)	Emission (kg CO ₂ e)
FYE 2023	9,952	1,492.8
FYE 2024	42,334	6,350.1
FYE 2025	97,243	14,586.5

*The emission factor used for water supply is 0.15 kg CO₂e

Business travel emissions increased progressively over the three financial years, in line with higher travel frequency and expanded operational activities. Total flight distance travelled rose from 9,952 km in FYE 2023 to 97,243 km in FYE 2025, resulting in a corresponding increase in emissions.

While business travel remains necessary to support operational growth, client engagement, and regional expansion, SCC continues to promote virtual meetings and remote collaboration where feasible. Travel requirements are evaluated based on operational necessity, with consideration given to optimising itineraries and consolidating trips to improve efficiency.

SCC aims to strengthen its monitoring of Scope 3 emissions by enhancing data collection processes and exploring practical measures to manage travel-related emissions responsibly. As part of our broader climate awareness efforts, we will continue encouraging efficient travel planning while balancing business needs with environmental considerations.

EMPLOYEE COMMUTING

Employee commuting represents a component of Scope 3 greenhouse gas emissions, arising from daily travel between employees' residences and SCC's operational sites. As an organisation committed to responsible environmental stewardship, SCC recognises that commuting-related emissions contribute to its overall carbon footprint and present opportunities for emissions reduction beyond direct operational control. Addressing this area supports climate resilience, promotes employee well-being, and aligns with broader sustainability and decarbonisation goals. Commuting emissions were primarily generated from the use of private vehicles, namely cars and motorcycles. The data disclosed reflects estimated total travel distance and corresponding emissions for the respective financial years.

SCC monitors commuting emissions based on transportation type and total travel distance. The data for FYE 2024 and FYE 2025 is presented below:

Year	Type of Transportation	Total Distance Travelled (km)	Emission (kg CO ₂ e)
FYE 2024	Car	518.18	88.0
	Motorcycle	133.10	15.1
FYE 2025	Car	1,597.00	262.7
	Motorcycle	250.70	28.5

*The emission factors are based on industry standard as provided by UK Government GHG Conversion Factors for Company Reporting 2023:
 - Car: 0.1645 kg CO₂-eq per km
 - Motorcycle: 0.11367 kg CO₂-eq per km

EMISSION MANAGEMENT (CONT'D)

SCOPE 3 (CONT'D)

EMPLOYEE COMMUTING (CONT'D)

Total employee commuting emissions increased from 103.1 kg CO₂e in FYE 2024 to 291.2 kg CO₂e in FYE 2025, primarily due to higher recorded travel distances. Car usage continues to represent the largest proportion of commuting-related emissions compared to motorcycles.

SCC aims to enhance data accuracy and expand disclosure on employee commuting emissions as part of its broader climate strategy. The Group will continue to evaluate initiatives that support lower-carbon commuting, including increased adoption of flexible working arrangements and employee engagement programmes focused on sustainable mobility. By strengthening measurement, awareness, and practical initiatives, SCC remains committed to managing indirect emissions while supporting a more sustainable and inclusive working environment.

WASTE MANAGEMENT

Scope 3 emissions encompass indirect greenhouse gas emissions arising from activities within our value chain that are not directly controlled by SCC. For SCC Food Manufacturing Sdn Bhd, reported Scope 3 emissions are primarily associated with business air travel, while waste is disclosed separately on a waste generation basis. To mitigate emissions from business travel, SCC promotes the use of virtual meetings and evaluates more sustainable travel alternatives when physical presence is required. In parallel, we continue to strengthen our waste management practices by prioritising waste minimisation, proper segregation, and recycling initiatives. These measures help reduce emissions associated with waste disposal and treatment, reinforcing our commitment to responsible resource management and continuous improvement in our environmental performance.



SCC monitors waste generation as part of its responsible resource management and continuous environmental improvement. Over the past three financial years, general waste generation recorded 19,730 kg in FYE 2023, increased slightly to 20,500 kg in FYE 2024, and subsequently declined to 17,950 kg in FYE 2025. The reduction achieved in FYE 2025 reflects the Group's ongoing efforts to strengthen waste segregation practices, enhance recycling initiatives, and promote greater employee awareness on waste minimisation.

SCC will further improve waste tracking and introduce more structured reduction initiatives, including increased material reuse and recycling programmes, to minimise landfill disposal and support long-term sustainability objectives.

EMISSION MANAGEMENT (CONT'D)

SCOPE 3 (CONT'D)

WASTE MANAGEMENT (CONT'D)

To further strengthen our waste reduction efforts, SCC actively promotes recycling and the circular use of materials within our operations. One notable initiative is the creative repurposing of wooden pallets traditionally considered waste into functional workplace furniture and fixtures. As shown, these pallets have been skilfully transformed into practical worktables, storage cabinets, and tool-organising panels. This approach not only diverts wood waste from landfills but also reduces the need for new raw materials, supporting both environmental conservation and cost efficiency.



These upcycling practices reflect SCC's commitment to resource efficiency and demonstrate how operational innovation can support sustainability goals. By converting discarded materials into useful equipment, SCC reinforces a culture of environmental responsibility and continuous improvement.

Together, these initiatives ranging from travel emission reduction to waste minimisation and recycling illustrate SCC's proactive approach to managing Scope 3 emissions and reducing overall environmental impact across the value chain.

SOCIAL

HUMAN RIGHTS

SCC recognises that respect for human rights is fundamental to sustainable business operations and social responsibility. Upholding human rights protects the dignity, safety, and well-being of employees, stakeholders, and the communities in which we operate. It also fosters trust, strengthens organisational culture, and supports long-term value creation.

SCC is committed to maintaining a workplace that is free from discrimination, forced labour, child labour, and any form of human rights violations. Our policies promote fair labour practices, diversity, inclusiveness, and employee well-being. Through structured training, career development programmes, and transparent grievance mechanisms, we ensure that employees are empowered, informed, and treated with fairness and respect. Beyond the workplace, SCC engages with local communities to support social development initiatives and foster inclusive growth, including through local procurement, community projects, and outreach programmes.

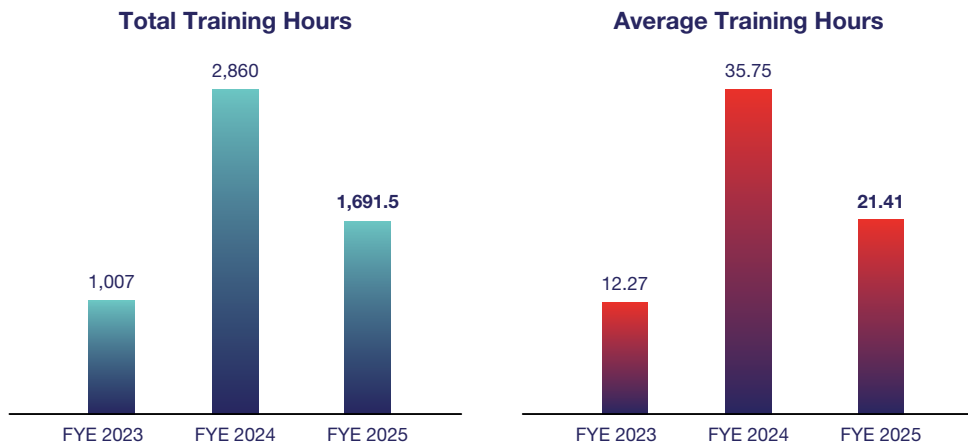
Over the past three financial years, SCC has maintained compliance with human rights standards across all operations, with no substantiated complaints reported. Employee engagement programmes, fair labour audits, and training initiatives continue to strengthen awareness and accountability. Community-focused activities, including support for local businesses and development programmes, have contributed to improved livelihoods and fostered stronger stakeholder relationships.

SCC will continue to uphold its human rights commitments by maintaining the integration of these principles within its operations and supply chain practices. We will sustain employee awareness initiatives and relevant training programmes, while engaging with stakeholders and local communities where appropriate to respond to evolving social considerations. Through these efforts, SCC seeks to create a positive, lasting impact while reinforcing its position as a responsible and socially conscious corporate citizen.

EMPLOYEE WELFARE, TRAINING & DEVELOPMENT

SCC recognises that employees are fundamental to the Group’s long-term success and sustainability. Ensuring their well-being, growth, and professional development is essential not only for fostering a motivated and skilled workforce but also for driving innovation, operational excellence, and responsible business practices. Supporting employees strengthens engagement, retention, and overall organisational resilience. SCC is committed to creating a safe, inclusive, and supportive workplace. Our policies promote fair labour practices, non-discrimination, diversity, and equal opportunity for all employees. We invest in structured training and career development programmes to enhance skills, nurture leadership, and support continuous learning.

Employee Category	Training Hours FYE 2023	Training Hours FYE 2024	Training Hours FYE 2025
Management	93.0	361.5	474.0
Executive	533.5	2,101.5	932.0
Non-Executive	380.5	397.0	285.5



Beyond structured training and professional development, SCC places strong emphasis on employee engagement and workplace well-being through company organised events and recognition initiatives. These activities are designed to strengthen team cohesion and promote a positive organisational culture aligned with our commitment to diversity and mutual respect.

During FYE 2025, SCC hosted two company festive celebrations in conjunction with Chinese New Year and Hari Raya, encouraging cross-cultural appreciation and employee interaction across departments. In addition, the Group organised one Annual Rewards and Recognition Ceremony to acknowledge employee contributions, performance excellence, and long-service dedication. Awards were presented across various categories to recognise commitment, achievement, and service milestones. All employees were eligible to participate in these engagement initiatives, reinforcing an inclusive and supportive working environment.



Jefo Seminar for Customer, 2025

EMPLOYEE WELFARE, TRAINING & DEVELOPMENT (CONT'D)

Through these efforts, SCC continues to strengthen employee morale, enhance workplace engagement, and cultivate a culture of appreciation and belonging. Moving forward, the Group aims to sustain such initiatives while progressively enhancing employee welfare and engagement programmes in line with organisational growth and workforce needs.



R&R Ceremony, 2025



Hari Raya Celebration, 2025



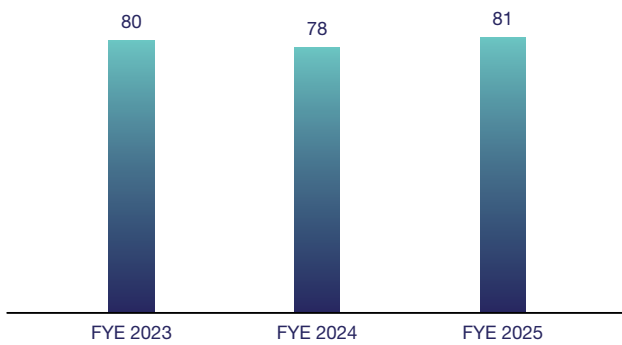
Chinese New Year Celebration, 2025

Employee welfare initiatives, including health and safety programmes, well-being support, and open communication channels, form an integral part of our employee engagement framework.

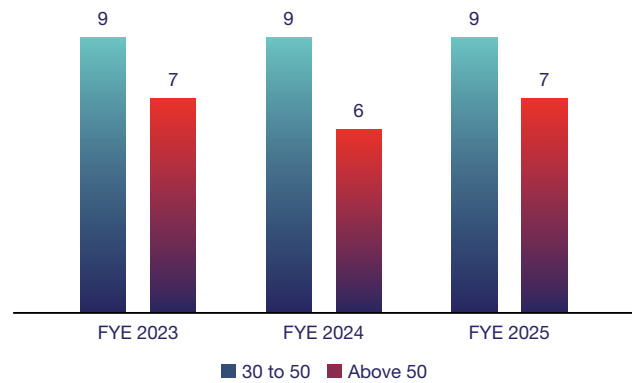
EMPLOYEE COMPOSITION

SCC is committed to creating a safe, inclusive, and supportive workplace that reflects our dedication to fair labour practices, non-discrimination, and respect for individual freedoms across all operations and supply chains. Our policies promote equal opportunity for all employees, regardless of background, and actively foster diversity and inclusivity. We invest in structured training and career development programmes to enhance skills, nurture leadership, and support continuous learning. Employee welfare initiatives, including health and safety programmes, well-being support, and open communication channels, form an integral part of our engagement framework.

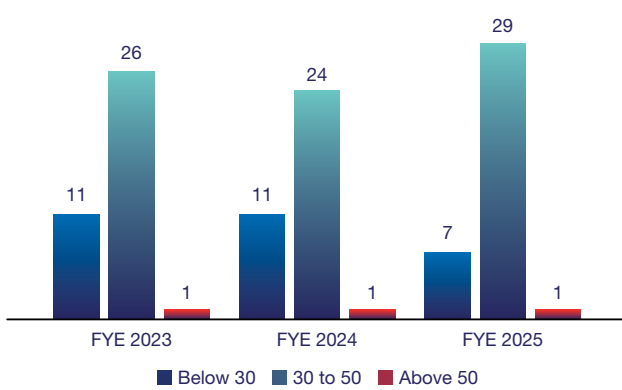
Total Number of Employees



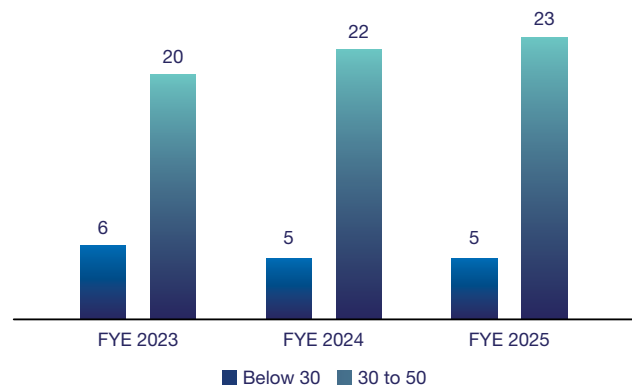
Age Diversity (Management)



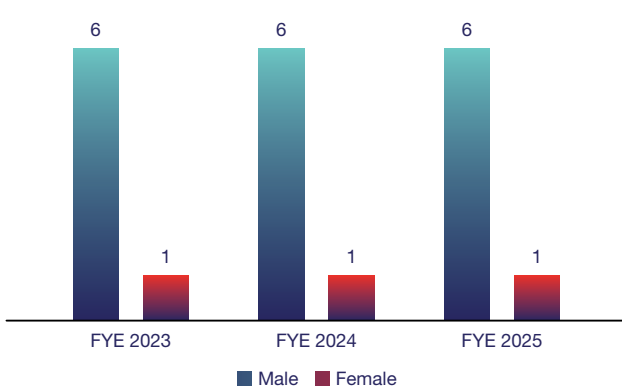
Age Diversity (Executive)



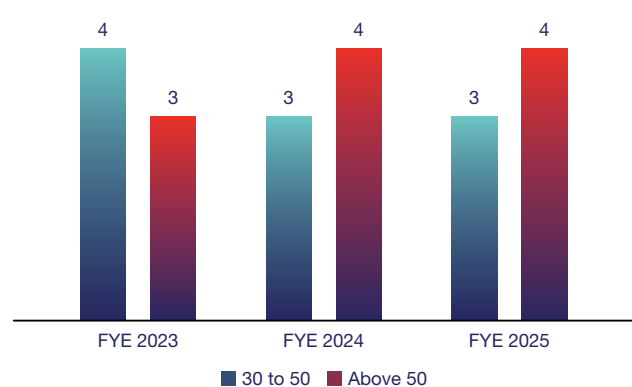
Age Diversity (Non-Executive)



Gender Diversity (Directors)



Age Diversity (Directors)



EMPLOYEE COMPOSITION (CONT'D)

Employee Turnover	FYE 2023	FYE 2024	FYE 2025
Management	3	1	0
Executive	8	11	5
Non-Executive	4	4	5

SCC recognises that workforce diversity is fundamental to building a resilient and sustainable organisation. We are committed to fostering an inclusive working environment that values individuals across different age groups and genders, ensuring equal opportunities and fair treatment throughout our operations.

In terms of age diversity, our workforce continues to reflect a balanced composition across Management, Executive, and Non-Executive levels. At the Management level, most employees fall within the 30 to 50 years old category, with consistent representation over the past three financial years, alongside experienced personnel above 50 years old. Within the Executive and Non-Executive categories, the 30 to 50 years old group forms the core segment of our workforce, with a gradual increase observed in FYE 2025. Representation below 30 years old remains present primarily within the Executive and Non-Executive levels, supporting talent development and succession planning. There were no General Workers recorded during the reporting period.

From a gender perspective, the workforce composition remained stable over the past three financial years, comprising six male employees and one female employee. SCC acknowledges the importance of enhancing gender diversity and remains committed to promoting equal employment opportunities based on merit, qualifications, and performance.

SCC will continue to strengthen employee welfare and development by expanding training opportunities, enhancing well-being initiatives, and embedding a culture of continuous learning across all operations. We aim to further promote diversity and inclusion, respect for individual freedoms, and fair labour practices within the workforce and supply chain. Through these efforts, SCC seeks to cultivate a highly capable, engaged, and resilient workforce that contributes to long-term organisational success and sustainable value creation.

OCCUPATIONAL HEALTH AND SAFETY

SCC recognises that a safe and healthy workplace is fundamental to the well-being of our employees and the sustainability of our operations. Protecting our workforce reduces risks, enhances productivity, and reinforces stakeholder trust, while supporting the Group's commitment to responsible business practices and long-term value creation. SCC is committed to creating a safe working environment through preventive measures, ongoing training, and comprehensive health monitoring. Safety policies and protocols are embedded across all operations to manage risks, prevent accidents, and ensure compliance with regulatory requirements. Employees receive regular training on workplace safety, emergency preparedness, and safe handling of equipment, while health monitoring initiatives track employee well-being to address potential risks proactively.

Type of safety trainings held at SCC:

- Warehouse Daily Operation Activities
- Hazard Associated with Preventive Maintenance Activities
- Forklift Maintenance & Safety
- Operating & Maintenance of Machine
- Hand Cleaning Method

During the reporting period, SCC continued to offer relevant training programmes to its workforce. Employees benefited from opportunities to strengthen their skills and understanding in key operational and workplace areas, supporting both individual growth and overall business performance.

OCCUPATIONAL HEALTH AND SAFETY (CONT'D)

SCC has maintained strong occupational health and safety standards, with no significant workplace incidents reported. Safety audits, employee awareness programmes, and continuous monitoring of operational practices have contributed to a consistently safe work environment. These measures demonstrate our commitment to employee protection, risk mitigation, and regulatory compliance.

★ *SCC had zero case of work-related fatalities and zero rate in lost time incident rate across three financial years*

SCC will continue to strengthen its occupational health and safety initiatives by expanding preventive programmes, enhancing training modules, and leveraging technology for better monitoring and reporting. By fostering a proactive safety culture and continuous improvement, SCC aims to ensure the ongoing well-being of its workforce and maintain high standards of operational safety, contributing to sustainable business practices and stakeholder confidence.

LOCAL COMMUNITIES

SCC recognises the vital role that local communities play in supporting sustainable business operations and long-term societal well-being. By contributing to community development and supporting local initiatives, SCC helps foster social cohesion, improve quality of life, and reinforce stakeholder trust.

SCC is committed to engaging and supporting the communities in which we operate through targeted social initiatives and responsible corporate giving. Our approach focuses on addressing local needs, promoting social welfare, and encouraging employee participation in community programmes. We aim to create positive social impact while aligning with our broader sustainability and corporate responsibility objectives.

In FYE 2025, SCC contributed a total of RM13,200 to community initiatives, including donations to charitable organisations and employee-led fundraising efforts. This represents a significant increase compared to RM4,000 contributed in FYE 2024, reflecting our strengthened commitment to community engagement and social responsibility. The year-on-year increase demonstrates SCC's continued efforts to expand its positive social contribution as part of our sustainability journey.

★ *In FYE 2025, SCC contributed RM13,200 in donations*

SCC has contributed meaningfully to community welfare. Notably, the Group donated RM12,000 to House of Love (Klang) and RM1,200 to the National Cancer Society, funding sourced from proceeds generated by food sales to employees. These contributions reflect SCC's dedication to leveraging business activities for social good and fostering meaningful partnerships with charitable organisations.



LOCAL COMMUNITIES (CONT'D)



Moving forward, SCC engages with local communities through social initiatives, partnerships with non-profit organisations, and employee-led programmes. By focusing on education, health, and social welfare, and measuring the impact of our contributions, SCC aims to create lasting value for communities while reinforcing its role as a responsible and socially conscious corporate citizen.

MARKET PRESENCE

SCC recognises that its visibility, influence, and competitiveness within its industry and geographic markets are key indicators of sustainable business performance. A strong market presence enables the Group to drive economic growth, foster stakeholder confidence, and enhance its ability to positively impact employees, communities, and the broader value chain.

SCC is committed to maintaining a competitive and responsible market presence through ethical business practices, quality products, and customer-centric solutions. By strengthening relationships with clients, suppliers, and partners, we aim to enhance trust, expand our reach, and reinforce our brand reputation. This approach ensures that our operations contribute not only to financial performance but also to broader social and environmental objectives.

During the financial year, SCC has built a strong footprint across its operational markets, underpinned by consistent delivery of high-quality products and services. Our market presence reflects the Group's credibility, industry influence, and capacity to meet stakeholder expectations. By maintaining transparent business practices and upholding ESG principles, SCC has strengthened its competitiveness and enhanced its role as a responsible market player.

SCC will continue to expand its market presence by exploring new growth opportunities, strengthening partnerships, and integrating sustainability considerations into its strategic decisions. By fostering innovation, ethical business conduct, and stakeholder engagement, SCC aims to sustain its competitiveness while contributing to economic, social, and environmental value across its markets.

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Energy Management	Energy consumption	kWh	259,146.4	—	No assurance
Waste Management	Waste consumption	kg	17,950	—	No assurance
Emission Management	Total emission	kgCO ₂ e	435,180.6	—	No assurance
Environmental Compliance	Number of complaints	Numbers	0	0	No assurance
Local Communities	Number of activities	Numbers	2	1 per year	No assurance
Employee Welfare, Training and Development	Average of training hours per employee per year	Hours	21	15	No assurance
Human Rights	Total complaints	Numbers	0	0	No assurance
Occupational Health & Safety	Lost time incident rate (LTIR)	Rate	0	0	No assurance
Procurement Practices	Proportion of spending on local suppliers	Percentage	45.99	—	No assurance
Data Privacy & Security	Total complaints on the data breach	Numbers	0	0	No assurance

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”) 2025 of the Company which is accessible on the Company’s website at <http://www.sccholdings.com.my> and via announcement on Bursa Securities website.

The CG Report 2025 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 2025 (“FYE 2025”).

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.

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 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 is primarily responsible for providing leadership to the Board, promoting sound corporate governance practices, enhancing the Board’s overall effectiveness, and facilitating an effective working relationship between the Board and Management.

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 (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 Board currently has seven (7) members comprising one (1) Non-Independent Non-Executive Director, three (3) INEDs and three (3) Executive Directors. The size and the composition of the Board remain 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 2025 from page 5 to page 9.

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

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 Terms of Reference 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

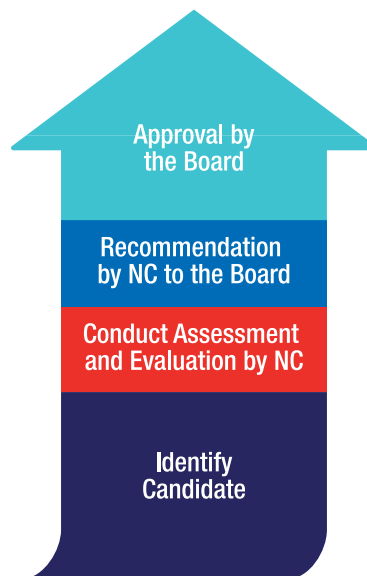
PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

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.

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

V. Nomination Committee (cont'd)

(b) Board 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 21 November 2025, 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.

(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 2025

Below is a summary of the activities undertaken by the NC for the FYE 2025:

- (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 ARMC and each of its members;
- (d) Reviewed the succession plan for the Board members;
- (e) Reviewed and assessed the performance, and made recommendations to the Board for its approval, regarding the Directors who are seeking for re-election at the upcoming AGM;
- (f) Assessed Directors' training to ensure all Directors receive appropriate continuous training programmes; and
- (g) Reviewed and recommended to the Board the adoption of Directors' Fit and Proper Policy.

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

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.

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

V. Nomination Committee (cont'd)

NC's Activities During the FYE 2025 (cont'd)

Independency of Independent Directors (cont'd)

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.

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.

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

VI. Promoting Good Business Conduct (cont'd)

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.

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 25th AGM held on 23 May 2025 to pay the Directors' Fees to the INEDs for the FYE 2026 and 2027.

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 Directors 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.

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 2025 are as follows:

Director's Name	Director Fee	Salary and Emoluments	Bonuses/ Gratuity	EPF (Employer)	SOCSSO/ EIS (Employer)	Benefits in Kind	Total
Mr. Cher Sew Seng	-	420,000	70,000	14,000	893	10,625	515,518
Mr. Cher Lip Chun	-	420,000	70,000	58,800	1,393	10,625	560,818
Mr. Cher Lip Ter	-	392,160	60,000	54,264	1,393	-	507,817
Datuk Wira Dr. Goy Hong Boon	24,000	-	-	-	-	1,500	25,500
Mr. Tan Tian Wooi	24,000	-	-	-	-	1,500	25,500
Mr. Puar Chin Jong	24,000	-	-	-	-	1,500	25,500
Ms. Lew Yen Peng	24,000	-	-	-	-	1,500	25,500
Total	96,000	1,232,160	200,000	127,064	3,679	27,250	1,686,153

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	5/5	100
Mr. Tan Tian Wooi	5/5	100
Mr. Puar Chin Jong	5/5	100
Ms. Lew Yen Peng	5/5	100

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:

No	Name of Directors	Programme
1.	Mr. Cher Sew Seng	<ol style="list-style-type: none"> 1. Mastering ESG Data Collection: A Practical One-Day Workshop 2. ESG and TCFD Masterclass: Frameworks and Strategies for TCFD Governance and Implementation and GRI and TCFD Integration and Reporting Synergies ESG & TCFD: TCFD Framework and recommendations and GRI Indicators and Performance Measures
2.	Mr. Cher Lip Chun	<ol style="list-style-type: none"> 1. Mastering ESG Data Collection: A Practical One-Day Workshop 2. ESG and TCFD Masterclass: Frameworks and Strategies for TCFD Governance and Implementation and GRI and TCFD Integration and Reporting Synergies ESG & TCFD: TCFD Framework and recommendations and GRI Indicators and Performance Measures
3.	Mr. Cher Lip Ter	<ol style="list-style-type: none"> 1. Mastering ESG Data Collection: A Practical One-Day Workshop 2. ESG and TCFD Masterclass: Frameworks and Strategies for TCFD Governance and Implementation and GRI and TCFD Integration and Reporting Synergies ESG & TCFD: TCFD Framework and recommendations and GRI Indicators and Performance Measures
4.	Mr. Puar Chin Jong	<ol style="list-style-type: none"> 1. Transformational Leadership in Finance: How management Accountants Can Drive Business Growth 2. Mastering E-Invoicing: A Practical Guide to My Invoice Portal and Compliance 3. Elevating Finance Professional in a Disruptive World
5.	Datuk Wira Dr. Goy Hong Boon	<ol style="list-style-type: none"> 1. Mastering ESG Data Collection: A Practical One-Day Workshop
6.	Ms. Lew Yen Peng	<ol style="list-style-type: none"> 1. Forum Ekonomi Malaysia 2025 (FEM 2025) 2. RHB ESG Series 2: Sustainable Pathways to Responsible Transition 3. BlackRock - Assessing the impact of recent developments on US and regional assets' webinar 4. Hubbis Forum-Malaysia Wealth Management Forum 2025 5. Invest ASEAN-Malaysia Conference 2025 6. Anti Money Laundering (AML), Countering Financing of Terrorism, Anti Bribery & Corruption (ABC) 7. FIMM Annual Convention (FIMMAC) 2025: Navigating the Future 8. ACMF International Conference 2025 by Securities Commission Malaysia
7.	Tan Tian Wooi	<ol style="list-style-type: none"> 1. Cryptocurrency Accounting and Auditing

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Management Committee

The Audit and Risk Management Committee of the Company (“ARMC”) 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.

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 digital copy format through shareholders registered e-mail and also available in hard copy by request, 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.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

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 25th 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 was announced on Bursa Securities on the same day.

DIRECTORS’ RESPONSIBILITY STATEMENT

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

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

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

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

The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 31 December 2025, 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 15 April 2026.

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 2025, the members of the ARMC are:

Name	Designation	Directorship
Mr. Tan Tian Wooi	Chairman	Independent Non-Executive Director
Mr. Puar Chin Jong	Member	Independent Non-Executive Director
Ms. 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
Mr. Tan Tian Wooi (Chairman)	5/5
Mr. Puar Chin Jong	5/5
Ms. Lew Yen Peng	5/5

Terms of Reference

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

SUMMARY OF ACTIVITIES

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

Financial Reporting

- a. Reviewed the quarterly unaudited financial results of the Company and Group before recommending to the Board for consideration and approval.
- b. Reviewed the audited financial statements of the Company and Group prior to submission to the Board for consideration and approval.
- c. Reviewed a Report and Statement on Risk Management and Internal Control for the Group Annual Report prior to submission to the Board for consideration and approval.
- d. Ensured that the financial statements were drawn up in accordance with the provisions of the Companies Act 2016 and the applicable approved accounting standards by confirming with the Management.

External Audit

- e. Evaluated the technical competencies, adequacy of specialist support and partners/directors accessibility and time commitment.
- f. Ascertained the independence of the external auditor with the auditors and confirmed their independence status before conducting the audit.
- g. Reviewed the external auditors' Audit Planning Memorandum.
- h. Reviewed the external auditors' audit findings, including the recommendations and management's response.
- i. 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 2025.

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 2025.

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 May 2025, CGRM tabled a report for ARMC’s review covering the Financial Control and Management on September 2024.

On 21 November 2025, CGRM tabled a report on followed up issues highlighted in Internal Audit Report issued in May 2025 on Financial Control and Management of SCC Holdings Berhad’s Group in September 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 2025 was RM32,000.00 (FYE 2024 – 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 FYE 2025 are as follows:

	Company (RM)	Group (RM)
Audit services rendered		
- Statutory Audit	30,000	100,000
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 FYE 2025.

3. CONTRACTS RELATING TO LOAN BY THE COMPANY

There were no contracts relating to loans entered by the Group during the FYE 2025 involving Directors, Chief Executive Officer and Substantial shareholders.

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

During FYE 2025, 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.

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 financial year ended 31 December 2025. 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 15 April 2026.



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

DIRECTORS' REPORT

The directors hereby submit the report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding.

The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
Net profit for the financial year	3,509	1,563
Other comprehensive income, net of tax	55	-
Total comprehensive income for the financial year	<u>3,564</u>	<u>1,563</u>
Attributable to:-		
Owners of the parent	<u>3,564</u>	<u>1,563</u>

DIVIDEND

The amount of dividend declared and paid by the Group and the Company since the end of the previous financial year were as follows:-

	RM'000
Single tier final dividend of RM0.01 per ordinary share in respect of the financial year ended 31 December 2024, declared and paid on 13 June 2025	<u>1,411</u>
Single tier interim dividend of RM0.01 per ordinary share in respect of the financial year ended 31 December 2025, declared 26 February 2026 and paid on 27 March 2026	<u>1,411</u>

RESERVES AND PROVISIONS

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

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including its values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to be realised.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

CONTINGENT AND OTHER LIABILITIES

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 liabilities in respect of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group or of the Company 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 its obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances 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.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is 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.

ISSUES OF SHARES AND DEBENTURES

During the financial year, no new issue of shares or debentures were made by the Company.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of report are:-

Cher Sew Seng*
Cher Lip Chun*
Cher Lip Ter*
Datuk Wira Dr. Goy Hong Boon
Tan Tian Wooi
Puar Chin Jong
Lew Yen Peng

* Directors of the Company and certain subsidiaries.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act, 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year ended 31 December 2025 were as follows:-

	Number of ordinary shares			As at 31.12.2025
	As at 01.01.2025	Bought	Sold	
The Company				
<u>Direct interests</u>				
Cher Sew Seng	19,397,847	-	-	19,397,847
Cher Lip Chun	1,024,802	-	-	1,024,802
Cher Lip Ter	1,115,100	-	-	1,115,100
<u>Indirect interests</u>				
Cher Sew Seng ⁽¹⁾	1,482,500	-	-	1,482,500
Cher Lip Chun ⁽²⁾	32,007,873	3,330,000	-	35,337,873
Cher Lip Ter ⁽³⁾	31,777,586	3,330,000	-	35,107,586

(1) Deemed interests by virtue of his spouse's and children's direct shareholdings in the Company.

(2) Deemed interests by virtue of his spouse's direct shareholdings in the Company.

(3) Deemed interests by virtue of his father's, his brother's and his spouse's direct shareholding in the Company.

Other than as stated above, none of the other directors in office had any interest in ordinary shares of the Company and its related corporations at the end of 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 any benefit (other than benefits as shown under Directors' Remunerations) 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 except for any benefits which may be deemed to arise from transactions entered into the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 26(b) to the financial statements.

Neither during, nor at the end of the financial year, was the Group and the Company a party to any arrangements where the objective is to enable the directors to acquire benefits by means of the acquisition of shares or debentures of the Group and of the Company or any other body corporate.

DIRECTORS' REMUNERATIONS

The details of the directors' remunerations for the financial year ended 31 December 2025 are set out as below:-

	Group RM'000	Company RM'000
Directors' remunerations		
- salaries and bonuses	1,432	1,432
- allowances	27	27
- fees	96	96
- contributions to defined contribution plan and social security organisation	131	131
	1,686	1,686

INDEMNIFYING DIRECTORS, OFFICERS AND AUDITORS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Company were RM5,000,000/- and RM6,900/- respectively.

No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been the auditor of the Company.

AUDITORS' REMUNERATIONS

The amounts payable as remunerations of the auditors of the Group and of the Company for the financial year ended 31 December 2025 are as below:-

	Group RM'000	Company RM'000
Auditors' remunerations		
Audit fees:-		
- Auditors of the Company:-		
- Current year	100	30
- Overprovision in prior year	(5)	(5)
	95	25

SUBSIDIARIES OF THE COMPANY

Details of the Company's subsidiaries are disclosed in Note 8 to the financial statements.

SUBSEQUENT EVENT

Details of the subsequent event is disclosed in Note 31 to the financial statements.

AUDITORS

The auditors, **Messrs Thelyx Malaysia PLT**, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors,

CHER SEW SENG

Director

CHER LIP CHUN

Director

Kuala Lumpur

Date: 21 April 2026



STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016 IN MALAYSIA

We, **CHER SEW SENG** and **CHER LIP CHUN**, being two of the directors of **SCC HOLDINGS BERHAD**, do hereby state that in the opinion of the directors, the accompanying financial statements and notes set out on pages 70 to 121 are properly drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors,

CHER SEW SENG
Director

CHER LIP CHUN
Director

Kuala Lumpur

Date: 21 April 2026



STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016 IN MALAYSIA

I, **WONG POW YEE** (MIA Membership No: 20702), being the Office 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 accompanying financial statements and notes set out on pages 70 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.

WONG POW YEE

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 21 April 2026.

Before me,

Commissioner for Oaths

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 2025 of the Group and of the Company, and the statements of 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 70 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 2025, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are the 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 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
<p>Impairment assessment on trade receivables</p> <p>Refer to Note 3.7(a) and Note 11 to the financial statements.</p> <p>As of 31 December 2025, the carrying value of the Group's trade receivables is RM11.7 million (2024: RM13.2 million).</p> <p>We identified the impairment assessment of receivables recoverability as a key audit matter due to the significant level of management judgement and estimation uncertainty involved in assessing the recoverability of receivables. This uncertainty stems from the reliance on inputs such as historical loss data, the impact of high customer concentration, the ongoing evaluation of customer creditworthiness, and strict adherence to contractual payment terms and its prevailing economic conditions.</p>	<p>Our audit procedures performed in this area included, among others:-</p> <ul style="list-style-type: none"> • Obtained and evaluated the Group's credit risk policy, and understand the processes used by management to assess credit exposures; • Reviewed the robustness and predictive accuracy of Expected Credit Loss model, focusing on current risks and future economic volatility, as mandated by MFRS 9; • Evaluated the appropriateness of the default rate on the expected credit loss as compared to market data; and • Assessed the appropriateness and adequacy of the disclosures in the financial statements.

Key Audit Matters (cont'd)

Key audit matters	How our audit addressed the key audit matters
<p>Valuation of inventories</p> <p>Refer to Note 3.6 and Note 10 to the financial statements.</p> <p>As at 31 December 2025, the Group's inventories amounted to RM16.1million (2024: RM15.0million), representing approximately 29% (2024: 28%) of the Group's total assets.</p> <p>The Group's inventories primarily comprise animal feed products, food supplies, commercial-use kitchen equipment, and related spare parts.</p> <p>We identified the valuation of inventories as a key audit matter due to the significant level of management judgement and estimation involved in determining the net realizable value of inventories, particularly for slow-moving and obsolete items. This includes assumptions relating to expected selling prices, inventory conditions, future demand and development of newer product models.</p>	<p>Our audit procedures performed in this area included, among others:-</p> <ul style="list-style-type: none"> • Discussed with management the basis used to write down inventories at the period end to its Net Realisable Value ("NRV"). • Assessed the adequacy of write-down for slow moving and obsolete inventories based on ageing profiles; • On a sampling basis, check the subsequent replacement cost/selling price of the selected inventories; • Observed the year-end physical inventory count to examine the physical existence and condition of the inventories, on a sampling basis; and • Assessed the appropriateness and adequacy of the disclosures in the financial statements.

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 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 Annual Report 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 Annual Report and, in doing so, consider whether the Annual Report 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 on the Annual Report that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of the Annual Report, 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 intends 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.
- 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 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.



INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SCC HOLDINGS BERHAD
(CONT'D)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

OTHER MATTERS

The financial statements of the Company for the financial year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on these statements on 16 April 2025.

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 contents of this report.

THELYX MALAYSIA PLT
LLP0019500-LCA & AF 001929
Chartered Accountants

LIM LI CHYE
No. 03760/07/2027(J)
Chartered Accountant

Kuala Lumpur

Date: 21 April 2026



STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	4,923	5,204	-	-
Investment properties	6	531	548	-	-
Right-of-use assets	7	788	899	-	-
Investment in subsidiaries	8	-	-	15,843	15,843
Investment securities	9	75	91	-	-
Total non-current assets		6,317	6,742	15,843	15,843
Current assets					
Inventories	10	16,123	15,065	-	-
Trade and other receivables	11	13,290	14,872	2	2
Amount owing by subsidiaries	12	-	-	5,032	5,759
Other investments	13	12,904	11,954	5,524	4,359
Tax recoverables		372	832	34	306
Cash and bank balances	14	6,650	4,871	288	299
Total current assets		49,339	47,594	10,880	10,725
TOTAL ASSETS		55,656	54,336	26,723	26,568
EQUITY					
Share capital	15	24,079	24,079	24,079	24,079
Reserves	16	99	44	-	-
Retained earnings		25,970	23,872	2,606	2,454
TOTAL EQUITY		50,148	47,995	26,685	26,533
LIABILITIES					
Non-current liabilities					
Lease liabilities	7	573	591	-	-
Deferred tax liabilities	17	174	70	-	-
Total non-current liabilities		747	661	-	-
Current liabilities					
Trade and other payables	18	4,492	5,323	38	35
Lease liabilities	7	269	357	-	-
Total current liabilities		4,761	5,680	38	35
Total liabilities		5,508	6,341	38	35
TOTAL EQUITY AND LIABILITIES		55,656	54,336	26,723	26,568

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



STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	19	56,766	57,196	4,956	3,792
Cost of sales		(38,708)	(43,377)	-	-
Gross profit		18,058	13,819	4,956	3,792
Other incomes		1,246	940	176	188
Administrative and other operating expenses		(14,391)	(13,804)	(3,587)	(9,709)
Operating profit/(loss)	20	4,913	955	1,545	(5,729)
Finance costs	22	(82)	(83)	-	-
Profit/(Loss) before taxation		4,831	872	1,545	(5,729)
Taxation	23	(1,322)	(532)	18	(10)
Profit/(Loss) for the financial year		3,509	340	1,563	(5,739)
Other comprehensive income for the financial year:-					
Foreign currency translation		71	21	-	-
Fair value (loss)/gain of fair value through other comprehensive income		(16)	16	-	-
Total comprehensive income/ (deficit) for the financial year		3,564	377	1,563	(5,739)
Profit attributable to:-					
Owners of the parent		3,509	340	1,563	(5,739)
Total comprehensive income/ (deficit) attributable to:-					
Owners of the parent		3,564	377	1,563	(5,739)
Basic profit per ordinary share (sen)	24	2.49	0.24		
Diluted profit per ordinary share (sen)	24	2.49	0.24		

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



STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Group	Note	Attributable to Owners of the Company				
		Non-distributable				Total equity RM'000
		Share capital RM'000	Foreign currency translation reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	
At 1 January 2024		24,079	(58)	65	23,532	47,618
Total comprehensive income for the financial year:-						
Profit for the financial year		-	-	-	340	340
Other comprehensive income for the financial year		-	21	16	-	37
Total comprehensive income		-	21	16	340	377
At 31 December 2024		24,079	(37)	81	23,872	47,995
Total comprehensive income for the financial year:-						
Profit for the financial year		-	-	-	3,509	3,509
Other comprehensive income for the financial year		-	71	(16)	-	55
Total comprehensive income		-	71	(16)	3,509	3,564
Transaction with owners:						
Dividend paid	25	-	-	-	(1,411)	(1,411)
At 31 December 2025		24,079	34	65	25,970	50,148

Company	Note	Attributable to Owners of the Company		
		Non-Distributable		Total equity RM'000
		Share capital RM'000	Retained earnings RM'000	
At 1 January 2024		24,079	8,193	32,272
Total comprehensive deficit for the financial year		-	(5,739)	(5,739)
At 31 December 2024		24,079	2,454	26,533
Total comprehensive income for the financial year		-	1,563	1,563
Dividend paid	25	-	(1,411)	(1,411)
At 31 December 2025		24,079	2,606	26,685

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



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:-					
Profit/(Loss) before taxation		4,831	872	1,545	(5,729)
Adjustments for:-					
Amortisation of right-of-use assets		416	422	-	-
Depreciation of property, plant and equipment		554	555	-	-
Depreciation of investment properties		17	18	-	-
Dividend income		(1)	(1)	(1,440)	-
Fair value gain on financial assets		(450)	(428)	(165)	(156)
Gain on disposal of property, plant and equipment		(14)	-	-	-
Impairment losses on:-					
- amount owing by subsidiaries		-	-	-	5,747
- trade receivables		119	145	-	-
Reversal of impairment losses on trade receivables		(83)	(13)	-	-
Provision for slow-moving inventories		256	-	-	-
Reversal of provision for slow-moving inventories		(166)	-	-	-
Interest expenses		82	83	-	-
Interest incomes		(97)	(113)	(11)	(127)
Unrealised loss on foreign exchange		143	24	-	-
Gain on termination of lease contracts		-	(17)	-	-
Written-off of:-					
- other receivables		4	-	-	-
- inventories		341	35	-	-
- property, plant and equipment		12	-	-	-
Operating profit/(loss) before working capital changes		5,964	1,582	(71)	(264)
Changes in working capital:-					
Inventories		(1,489)	1,723	-	-
Trade and other receivables		1,542	(58)	-	-
Trade and other payables		(805)	(309)	3	(22)
Cash generated from/ (used in) operations		5,212	2,938	(68)	(286)
Interest paid		(82)	(83)	-	-
Tax refunded		537	1,274	305	-
Tax paid		(1,295)	(981)	(15)	(27)
Net cash generated from/(used in) operating activities		4,372	3,148	222	(313)


**STATEMENTS
OF CASH FLOWS
(CONT'D)**

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES:-					
Dividend received		1	1	1,440	-
Interest received		97	113	11	127
Proceeds from disposal of property, plant and equipment		14	-	-	-
Purchase of property, plant and equipment		(286)	(472)	-	-
Net changes in other investments		(500)	(3,898)	(1,000)	(1,195)
Net changes in amount due from subsidiary companies		-	-	727	53
Net cash (used in)/ generated from investing activities		(674)	(4,256)	1,178	(1,015)
CASH FLOWS FROM FINANCING ACTIVITIES:-					
Dividend paid	25	(1,411)	-	(1,411)	-
Repayment of lease liabilities		(409)	(407)	-	-
Net cash used in financing activities		(1,820)	(407)	(1,411)	-
NET CHANGES IN CASH AND CASH EQUIVALENTS		1,878	(1,515)	(11)	(1,329)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		(99)	(3)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		4,871	6,389	299	1,628
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		6,650	4,871	288	299
ANALYSIS OF CASH AND CASH EQUIVALENTS:-					
Cash and bank balances		6,650	4,871	288	299



**STATEMENTS
OF CASH FLOWS**
(CONT'D)

		Group	
	Note	2025 RM'000	2024 RM'000
CASH OUTFLOWS FOR LEASES AS A LESSEE			
Included in net cash from operating activities			
Payment relating to short-term leases	20	324	324
Included in net cash from financing activities			
Interest paid in relation to lease liabilities	22	82	82
Payment of lease liabilities		409	407
Total cash outflows for leases		815	813

Reconciliation of movements of liabilities to cash flows arising from financing activities:-

		Group	
		2025 RM'000	2024 RM'000
At 1 January		948	647
Net changes from financing cash flows		(409)	(407)
Acquisition of new leases		303	931
Termination of leases		-	(222)
Exchange difference		-	(1)
At 31 December		842	948

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



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

1. GENERAL INFORMATION

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements.

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

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

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

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 financial statements are expressed in Ringgit Malaysia.

The financial statements of the Company have been authorised for issue by the Board of Directors in accordance with a resolution of the directors on 21 April 2026.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations (“IC Int”) adopted during the financial year

The Group and the Company adopted the following standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board (“MASB”) during the financial year:-

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- MFRS 121, *The Effects of Changes in Foreign Exchange Rates* – Lack of Exchangeability

2.3 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations (“IC Int”) that have been issued but not yet effective for current financial year

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:-

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures* – Classification and Measurement of Financial instruments
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures* – Contracts Referencing Nature-dependent Electricity
- Amendments that are part of Annual Improvements – Volume 11:-
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations (“IC Int”) that have been issued but not yet effective for current financial year (cont'd)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- MFRS 19, *Translation to a Hyperinflationary Presentation Currency*
- MFRS 121, *The Effects of Changes in Foreign Exchange Rates*

MFRSs, Interpretations and amendments effective for annual periods on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments, where applicable from the annual period beginning on 1 January 2026 for those accounting standards, interpretations and amendments that are effective for annual periods beginning on or after 1 January 2026.

The initial application for the accounting standards, interpretations and amendments are not expected to have any material financial impact to the current period or prior period financial statements of the Group and of the Company.

2.4 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s financial currency. All financial information is rounded to the nearest thousand (“RM’000”), unless otherwise stated.

2.5 Use of estimates and judgement

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group’s and the Company’s accounting policies. Although these estimates and judgement are based on the directors’ best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to the financial statements.

3. MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Group and the Company, unless otherwise stated.

3.1 Basis of consolidation

(a) **Subsidiary and business combination**

The Group applies the acquisition method to account for business combinations from the acquisition date. When the acquired set of activities meets the definition of a business and control is transferred to the Group.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

3.1 Basis of consolidation (cont'd)

(b) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3.2 Financial instruments

Financial assets – subsequent measurement and gains and losses

Financial assets at fair value through profit or loss

The Group and the Company subsequently measure these assets at fair value. Net gains and losses, including any interest and dividend income, are recognised in profit or loss.

Debt instruments at amortised cost

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt instruments at fair value through other comprehensive income

The Group and the Company subsequently measure these assets at fair value. Interest income calculated under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity instruments at fair value through other comprehensive income

The Group and the Company subsequently measure all equity investments at fair value. Upon initial recognition, the Group and the Company have made an irrevocable election to classify its equity investments that are not held for trading as equity instruments designated at fair value through other comprehensive income. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividend are recognised as other income in the profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial assets, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group or the Company commit themselves to purchase or sell an asset). Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passed.

Financial liabilities – subsequent measurement and gains and losses

The Group and the Company classify the financial liabilities at amortised cost or fair value through profit or loss. Financial liabilities are classified as fair value through profit or loss if it is classified as held for trading, it is a derivative, it is contingent consideration of an acquirer in a business combination or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

3.2 Financial instruments (cont'd)

Financial liabilities – subsequent measurement and gains and losses (cont'd)

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expenses and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.3 Property, plant and equipment and depreciation

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

All property, plant and equipment are initially depreciated on a straight-line basis over their estimated useful lives. In cases where impairment losses are identified, the carrying amounts of these assets are adjusted accordingly. Following any impairment, the property, plant and equipment will continue to be depreciated on a straight-line basis, with the revised depreciable amount allocated over the remaining useful life of each asset.

	Rate
Freehold building	2% - 3%
Office equipment, furniture and fittings	5% - 20%
Machinery	10% - 20%
Motor vehicle	20%
Renovation	10%

3.4 Leases

(a) Lessee accounting

The Group and the Company present right-of-use assets and lease liabilities as separate lines in the statements of financial position.

Short-term leases and leases of low value assets

The Group and the Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group and the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets

The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

Subsequent to initial recognition, right-of-use assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any, and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are amortised on a straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

3.4 Leases (cont'd)

(a) Lessee accounting (cont'd)

Leasehold lands and buildings are amortised on a straight-line basis over the remaining lease term and remaining useful life.

	Year/Rate
Building	Over the lease term
Shoplot	Over the lease term

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The Group and the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

3.5 Investment properties

Investment properties are properties held (by the owner or the lessee as right-of-use asset) to earn rentals or capital appreciation or both. Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

All investment properties are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Rate
Buildings	2% to 3%

3.6 Inventories

Inventories of work-in-progress are stated at the lower of cost and net realisable value. The cost of inventories is measured at weighted average.

The cost of finished goods includes cost of raw materials, consumables, direct labour and an appropriate allocation of overhead. The cost of raw materials includes the original purchase price plus costs incurred to bring the inventoried to their present locations and conditions.

Net realisable value is estimated based on the most reliable evidence available at the time the estimates are made as to what the inventories are expected to realise upon completion of the cycle.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

3.7 Impairment

(a) Impairment of financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt instruments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

3.7 Impairment (cont'd)

(a) Impairment of financial assets (cont'd)

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determine 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. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

(b) Impairment of other assets

The carrying amounts of other assets (except for inventories, contract assets, deferred tax asset and investment properties measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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 an 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 its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are 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 (groups of cash-generating units) on a pro rata basis.

3.8 Contract liabilities

A contract liability is the obligation of the Group to transfer goods and services to a customer for which it has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional before it transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs its obligation under the contract. Contract liability is the excess of the billings to date to the customer over the cumulative revenue earned or recognised in profit or loss. Contract liabilities include advance payment and down payments received from customers and other amounts where the Group has billed before the goods are delivered or services are provided to the customers.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

3.9 Revenue and other income

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(a) Sale of goods

The Group determines that the transfer of control of promised goods generally coincides with the transfer of risks and rewards of ownership. Accordingly, revenue from the sale of goods is recognised at a point in time when the significant risks and rewards of ownership have been transferred to the customer upon delivery.

(b) Rendering of services

The Group determine that the transfer of control of promised services generally coincides with the Group's performance as the customer simultaneously receives and consumes the benefits of the performance as the Group performs. Accordingly, revenue from the rendering of services is recognised at point in time when the services are performed.

(c) Management income

Management fee is recognised on an accrual basis.

(d) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Rental income from sub-leased property is recognised as other income.

(e) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(f) Dividend income

Dividend income is recognised in profit or loss only when the right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

3.10 Employee benefits

(a) Short-term employee benefits

Short-term employee benefits such as wages, salaries, bonuses and social security contributions are recognised in profit or loss, where appropriate, in the period in which the associated services are rendered by the employee.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

3.10 Employee benefits (cont'd)

(b) Defined contribution plans

As required by law, the Group and the Company are required to make monthly contributions to the Employees Provident Fund ("EPF"), a statutory defined contribution plan for all its eligible employees based on certain prescribed rate of the employees' salaries. The Group's and the Company's contribution to EPF are disclosed separately and the employees' contributions to EPF are included in salaries, bonuses, allowances and other staff benefits. Once the contributions have been paid, the Group and the Company have no further payment obligations.

3.11 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.12 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

3.13 Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

3.14 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.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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 the followings:-

4.1 Impairment assessment of financial assets

The Group and the Company assess the credit risk at each reporting date, whether there have been significant increases in credit risk since initial recognition on an individual basis. To determine whether there is a significant increase in credit risk, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is significant increase in credit risk, the Group and the Company determine the lifetime expected credit loss by considering the loss given default and the probability of default assigned to each counterparty customer. The financial assets are written off either partially or full when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-offs.

The carrying amounts of the trade and other receivables and amount owing by subsidiaries are disclosed in Note 11 and Note 12 to the financial statements respectively.

4.2 Valuation of inventories

Inventories are subject to assessment for any potential write-down of cost to net realisable value. Such assessment involves judgements and estimation uncertainty in considering information about the asset's value and economic performance as well as the overall property market conditions.

The carrying amount of the inventories is disclosed in Note 10 to the financial statements.

4.3 Impairment assessment of property, plant and equipment

The Group assesses whether there is any indication that property, plant and equipment are impaired at the end of each reporting date. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate.

Projected future cash flows are based on the Group's estimates calculated based on historical, sector and industry trends, general market and economic conditions and other available information.

Management estimates and judgements are used in the determination of the assumptions made, particularly the cash flow projections, discount rates and the growth rates used.

**NOTES TO THE
FINANCIAL STATEMENTS**
(CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold building RM'000	Office equipment, furniture and fittings RM'000	Machinery RM'000	Motor vehicle RM'000	Renovation RM'000	Total RM'000
Cost						
At 1 January 2024	4,136	2,383	2,018	1,439	2,082	12,058
Additions	-	150	322	-	-	472
Disposal	-	-	-	(302)	-	(302)
Written off	-	(2)	-	-	-	(2)
At 31 December 2024	4,136	2,531	2,340	1,137	2,082	12,226
Additions	-	120	9	137	20	286
Disposals	-	-	-	(84)	-	(84)
Written-off	-	(43)	-	-	-	(43)
Exchange difference	-	(2)	-	-	-	(2)
At 31 December 2025	4,136	2,606	2,349	1,190	2,102	12,383

**NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)**

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold building RM'000	Office equipment, furniture and fittings RM'000	Machinery RM'000	Motor vehicle RM'000	Renovation RM'000	Total RM'000
Accumulated depreciation						
At 1 January 2024	994	1,806	1,343	1,320	1,308	6,771
Charges for the financial year	83	114	168	30	160	555
Disposals	-	-	-	(302)	-	(302)
Written-off	-	(2)	-	-	-	(2)
At 31 December 2024	1,077	1,918	1,511	1,048	1,468	7,022
Charges for the financial year	83	167	135	34	135	554
Disposals	-	-	-	(84)	-	(84)
Written-off	-	(31)	-	-	-	(31)
Exchange difference	-	(1)	-	-	-	(1)
At 31 December 2025	1,160	2,053	1,646	998	1,603	7,460
Net carrying amount						
At 31 December 2024	3,059	613	829	89	614	5,204
At 31 December 2025	2,976	553	703	192	499	4,923

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

	Group	
	2025 RM'000	2024 RM'000
Freehold land and buildings	1,389	1,435

There is no utilisation of credit facilities as at 31 December 2025.

- (a) The Company performed an impairment assessment on its property, plant and equipment due to the identification of impairment indicators, including reduced cash flows generated by the assets and recurring operating losses arising from higher operating costs. Management assessed the recoverable amount of these assets during the financial year.

The recoverable amount is defined as the higher of value-in-use and fair value less costs of disposal and is determined at the CGU level. The carrying amounts of property, plant and equipment within the "Others" segment have been allocated to a CGU for impairment testing purposes. The recoverable amount of each CGU was determined based on value-in-use calculations using cash flow projections derived from financial budgets approved by management.

The impairment assessment performed did not result in the recognition of any impairment losses during the financial year.

6. INVESTMENT PROPERTIES

	2025 RM'000	2024 RM'000
Freehold land and building		
Cost		
At 1 January/31 December	882	882
Accumulated depreciation		
At 1 January	334	316
Charges for the financial year	17	18
At 31 December	351	334
Net carrying amount		
At 31 December	531	548
Fair value		
Estimated fair value at 31 December 2024		3,800
Estimated fair value at 31 December 2025		4,200

6. INVESTMENT PROPERTIES (CONT'D)

The following are recognised in profit or loss in respect of investment properties:-

	Group	
	2025 RM'000	2024 RM'000
Rental income	189	190
Direct operating expenses	35	28

(a) Valuation process applied by the Group

The fair value of investment properties is determined based on the estimates made by the Directors using appropriate valuation techniques. The Group uses assumptions by incorporating observable market data, including prices per square foot of the comparable properties in similar locations, and reflect prevailing market conditions at the reporting date.

Fair value measurements are categorised within Level 2 and Level 3 of the fair value hierarchy under MFRS 13: Fair Value Measurement, where Level 2 inputs are observable inputs other than quoted prices in active market, and Level 3 inputs are unobservable inputs.

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

(b) 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 as follows:-

	Group	
	2025 RM'000	2024 RM'000
Freehold land and buildings	273	282

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

7.1 Right-of-use assets

Group	Buildings RM'000	Shoplots RM'000	Total RM'000
Cost			
At 1 January 2024	258	857	1,115
Additions	466	465	931
Termination of lease contracts	(251)	(199)	(450)
Reclassification	(178)	178	-
Effect on foreign exchange rate changes	-	(4)	(4)
At 31 December 2024	295	1,297	1,592
Additions	209	94	303
Effect on foreign exchange rate changes	(14)	-	(14)
At 31 December 2025	490	1,391	1,881
Accumulated amortisation			
At 1 January 2024	210	309	519
Charge for the financial year	184	238	422
Termination of lease contracts	(126)	(119)	(245)
Reclassification	(1)	1	-
Effect on foreign exchange rate changes	(3)	-	(3)
At 31 December 2024	264	429	693
Charges for the financial year	113	303	416
Effect on foreign exchange rate changes	(16)	-	(16)
At 31 December 2025	361	732	1,093
Carrying amount			
At 31 December 2024	31	868	899
At 31 December 2025	129	659	788

The following is recognised in profit or loss in respect of right-of-use assets:-

	Note	Group	
		2025 RM'000	2024 RM'000
Interest on lease liabilities	22	82	82
Expenses relating to short-term leases	20	324	324

The Group leases buildings and shoplots that run between 2 years to 5 years, with an option to renew the lease after that date.

The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, the right-of-use assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any, and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are amortised on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term.

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

7.1 Right-of-use assets (cont'd)

Extension options

Some leases of office contain extension options exercisable by the Group up to two (2) years before the end of the non-cancellable contract period. Where practicable, the Group seek to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group, and not by the lessors. The Group assess at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassess whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within their control.

7.2 Lease liabilities

	Group	
	2025	2024
	RM'000	RM'000
Minimum lease liabilities payments:-		
- within one year	325	415
- later than one year but not later than five years	631	664
	956	1,079
Less: Future finance charges	(114)	(131)
Total lease liabilities	842	948

Analysis of present value of lease liabilities:-

	Group	
	2025	2024
	RM'000	RM'000
Current		
- not later than one year	269	357
Non-current		
- later than one year but not later than five years	573	591
Total lease liabilities	842	948

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the Group's weighted average incremental borrowing rates ranging from 6.64% to 7.89% (2024: 6.64% to 7.89%) per annum.

After initial recognition, lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

The Group determines the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Group is reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for the Group to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Group.

8. INVESTMENT IN SUBSIDIARIES

	Company	
	2025 RM'000	2024 RM'000
Unquoted shares		
Cost		
Inside Malaysia	16,300	16,300
Outside Malaysia	43	43
	<u>16,343</u>	<u>16,343</u>
Less: Accumulated impairment losses	(500)	(500)
	<u>15,843</u>	<u>15,843</u>

The movement in the allowance of impairment loss is as follows:-

	Company RM'000
As at 1 January 2024/ 31 December 2024/ 31 December 2025	<u>500</u>

Details of the subsidiaries are as follows:-

Name of subsidiaries	Effective equity interest		Country of incorporation and place of business	Principal activities
	2025 %	2024 %		
Direct subsidiaries				
Anitox (M) Sdn. Bhd.	100	100	Malaysia	Selling, marketing and distribution of animal health products.
SCC Corporation Sdn. Bhd.	100	100	Malaysia	Selling, marketing and distribution of livestock health products and clean feeds solution to feed mills and livestock industries; and selling, marketing and distribution of food service equipment, including provisions of instalments, services and supply of ingredients and specialist products for food and beverage industries.
SCC Food Manufacturing Sdn. Bhd. ²	100	100	Malaysia	Processing and purchasing products.
S-Cnergy Co., Ltd ¹	100	100	Cambodia	Import and export of kitchen supplies.
Indirect subsidiaries				
<u>Held through SCC Corporation Sdn. Bhd.</u>				
Positive Insight Sdn. Bhd. ²	100	100	Malaysia	Selling, marketing and distribution of animal health products
Knowledge Mission Sdn. Bhd. ³	100	100	Malaysia	Dormant

¹ Not audited by Thelyx Malaysia PLT.

² The audited financial statements and auditors' report for the financial year ended 31 December 2025 consists of material uncertainties related to going concern assumptions.

³ Struck-off during the year.

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Impairment loss on investment in subsidiaries

At each reporting date, the Company conducts an impairment review of its investment in subsidiaries, principally based on the Company's share of net assets in these subsidiary companies, which represents the directors' estimation of fair value less costs to sell of these subsidiary companies.

The impairment losses arose mainly due to the record of a declined in the value of their assets by the subsidiaries.

9. INVESTMENT SECURITIES

	Group	
	2025	2024
	RM'000	RM'000
Quoted shares		
At fair value through other comprehensive income		
At 1 January	91	75
Changes in fair value	(16)	16
At 31 December	75	91

Quoted ordinary shares of the Group are categorised within Level 1 of the fair value hierarchy. Fair value of the quoted ordinary shares are actively traded in an active market deriving from quoted and observable market prices.

10. INVENTORIES

		Group	
		2025	2024
	Note	RM'000	RM'000
At net realisable value			
Food service equipments and spare parts		11,777	11,012
At cost			
Animal health products		4,000	3,686
Processed food, raw materials and packing materials		712	643
		16,489	15,341
Provision for slow-moving inventories			
At 1 January		276	276
Impairment	20	256	-
Reversal	20	(166)	-
At 31 December		366	276
Carrying amount			
At 31 December			
- At net realisable value		11,411	10,736
- At cost		4,712	4,329
		16,123	15,065

During the financial year, the cost of inventories recognised as cost of sales in the Group amounted to RM40,711,791/- (2024: RM38,856,956/-).

11. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade receivables		11,942	13,430	-	-
Less: Accumulated impairment losses		(229)	(193)	-	-
Trade receivables, net	(a)	11,713	13,237	-	-
Other receivables		-	48	-	-
Deposits		318	410	2	2
Prepayments		1,259	1,177	-	-
		1,577	1,635	2	2
Total receivables		13,290	14,872	2	2

(a) Trade receivables

The Group's credit period granted ranges from 30 to 150 days (2024: 30 to 90 days). Other credit terms are assessed and approved on a case by case basis.

The currency exposure profile of trade receivables is as follows:-

	Group	
	2025 RM'000	2024 RM'000
Ringgit Malaysia	11,561	13,076
United States Dollar	152	161
	11,713	13,237

The ageing analysis of the Company's trade receivables is as follows:-

	Group	
	2025 RM'000	2024 RM'000
Neither past due nor impaired	7,076	5,940
Past due not impaired		
1 to 30 days	2,391	2,741
31 to 60 days	866	2,142
61 to 90 days	1,176	557
More than 90 days	433	2,050
	4,866	7,490
Less: Impaired	(229)	(193)
	11,713	13,237

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (cont'd)

Impairment of trade receivables

The Group determines that a trade receivable is credit-impaired when the customer is experiencing significant financial difficulty and has defaulted in payments. Unless otherwise demonstrated, the Group generally considers a default to have occurred when the trade receivable is more than 90 days past due. The gross carrying amount of a credit-impaired trade receivable is directly written off when there is no reasonable expectation of recovery. This occurs when there is reasonable proof of customer insolvency.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. Such lifetime expected credit losses are calculated using a provision matrix based on historical observed default rates (adjusted for forward-looking estimates). The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished among the diversity of customer base.

The average credit loss rates were based on the payment profile of revenue over a period of 12 months and the corresponding historical credit losses experienced during the period. The rates were adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The reconciliation of trade receivables' movements in accumulated impairment losses of the Group is as follows:-

	Group	
	2025	2024
	RM'000	RM'000
At 1 January	193	61
Impairment loss during the year	119	145
Reversal of impairment loss during the year	(83)	(13)
At 31 December	229	193

12. AMOUNT OWING BY SUBSIDIARIES

Amount owing by subsidiaries represents non-trade balances which are unsecured, interest-free and recoverable on demand.

	Company	
	2025	2024
	RM'000	RM'000
Amount owing by subsidiaries:-		
Non-trade	10,779	11,506
Less: Accumulated for impairment losses	(5,747)	(5,747)
	5,032	5,759

12. AMOUNT OWING BY SUBSIDIARIES (CONT'D)

The currency exposure profile of amount owing by subsidiaries are as follows:-

	Company	
	2025 RM'000	2024 RM'000
Ringgit Malaysia	3,884	4,635
United States Dollar	1,148	1,124
	<u>5,032</u>	<u>5,759</u>

The reconciliation of amount owing by subsidiaries' movements in accumulated impairment losses of the Company is as follows:-

	Company	
	2025 RM'000	2024 RM'000
At 1 January	5,747	-
Impairment loss during the year	-	5,747
At 31 December	<u>5,747</u>	<u>5,747</u>

13. OTHER INVESTMENTS

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Quoted money market fund					
At fair value through profit or loss					
At 1 January		11,954	7,628	4,359	3,008
Additions		3,000	7,900	1,000	2,200
Disposals		(2,500)	(4,002)	-	(1,005)
Changes in fair value	20	450	428	165	156
At 31 December		<u>12,904</u>	<u>11,954</u>	<u>5,524</u>	<u>4,359</u>

Money market funds of the Group and of the Company are categorised within Level 1 of the fair value hierarchy. Fair value of the quoted ordinary shares are actively traded in an active market deriving from quoted and observable market prices.

14. CASH AND BANK BALANCES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash in hand	107	91	-	-
Cash at banks	6,543	4,780	288	299
	<u>6,650</u>	<u>4,871</u>	<u>288</u>	<u>299</u>

14. CASH AND BANK BALANCES (CONT'D)

The currency exposure profile of cash and bank balances are as follows:-

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia	4,333	4,475	288	299
United States Dollar	2,317	396	-	-
	<u>6,650</u>	<u>4,871</u>	<u>288</u>	<u>299</u>

15. SHARE CAPITAL

	Group and Company			
	2025		2024	
	Number of shares Unit'000	Amount RM'000	Number of shares Unit'000	Amount RM'000

Ordinary shares with no par value

Issued and fully paid-up:-

At 1 January/31 December	141,161	24,079	141,161	24,079
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There was no issuance of shares by the Company during the financial year. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company residual assets.

16. RESERVES

	Note	Group	
		2025 RM'000	2024 RM'000
Fair value reserve	(a)	65	81
Translation reserve	(b)	34	(37)
Total reserves		<u>99</u>	<u>44</u>

(a) Fair value reserve

The fair value reserve comprises the cumulative net change in fair value of financial assets at fair value through other comprehensive income ("FVOCI") until the investments are derecognised or impaired.

The Group has elected to recognise the changes in fair value of certain investments in equity securities in other comprehensive income, as explained in Note 9. These changes are accumulated within the fair value reserve of financial assets at FVOCI. The Group transfers the amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

(b) Translation reserve

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

17. DEFERRED TAX LIABILITIES

	Note	Group	
		2025 RM'000	2024 RM'000
At 1 January		70	103
Recognised in profit or loss	23	104	(33)
At 31 December		<u>174</u>	<u>70</u>

Presented after appropriate offsetting as follows:-

Deferred tax asset	(52)	(81)
Deferred tax liabilities	226	151
	<u>174</u>	<u>70</u>

The deferred tax assets are made up of the following:-

	Unabsorbed capital allowances	
	2025 RM'000	2024 RM'000
At 1 January	(81)	(82)
Recognised in profit or loss	81	1
At 31 December	<u>-</u>	<u>(81)</u>

	Provision for impairment of trade receivables	
	2025 RM'000	2024 RM'000
At 1 January	-	-
Recognised in profit or loss	(52)	-
At 31 December	<u>(52)</u>	<u>-</u>

The deferred tax liabilities are made up of the following:-

	Property, plant and equipment	
	2025 RM'000	2024 RM'000
Differences between the carrying amounts of property, plant and equipment and their tax base	<u>226</u>	<u>151</u>

18. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade payables	(a)	2,085	2,929	-	-
Other payables	(b)	260	425	17	5
Deposits		90	121	21	30
Accruals		96	207	-	-
Deferred income	(c)	1,961	1,641	-	-
		2,407	2,394	38	35
Total payables		4,492	5,323	38	35

(a) Trade payables

The credit period granted to the Group for trade purchases ranges from 30 to 90 days (2024: 30 to 90 days).

The currency exposure profile of trade payables are as follows:-

	Group	
	2025 RM'000	2024 RM'000
Ringgit Malaysia	1,589	2,929
United States Dollar	396	183
European dollar	86	-
British Pound	14	-
	2,085	2,929

(b) Other payables

The currency exposure profile of other payables are as follows:-

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia	257	421	17	5
United States Dollar	3	4	-	-
	260	425	17	5

(c) Deferred income

The deferred income represents the advance payment received from customers when the Group has billed before the goods are delivered to the Customers.

19. REVENUE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Major products and service lines				
Food service equipment	23,857	22,495	-	-
Animal health products	31,782	31,085	-	-
Food supplies	1,127	3,616	-	-
Management fees	-	-	3,516	3,792
Dividend received	-	-	1,440	-
Total revenue	<u>56,766</u>	<u>57,196</u>	<u>4,956</u>	<u>3,792</u>
Timing and recognition:-				
- At point in time	<u>56,766</u>	<u>57,196</u>	<u>4,956</u>	<u>3,792</u>
Revenue from contracts with customers				
Revenue from contracts with customers	56,766	57,196	-	-
Other revenue	-	-	4,956	3,792
Total revenue	<u>56,766</u>	<u>57,196</u>	<u>4,956</u>	<u>3,792</u>

The primary geographical market of the Group revenue derived from Malaysia except for RM1,182,571/- (2024: RM1,490,933/-) derived from the Cambodian market through a subsidiary of the Company domiciled in Cambodia.

The following information reflects the typical transactions of the Group and of the Company:-

Nature of goods and services	Timing of recognition	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Trading of food service equipment	Revenue is recognised at point in time when the goods are delivered to customers.	Credit period of 30 to 150 days from the invoice date.	Trade discounts.	Not applicable.	Minimum one (1) year warranty is provided however borne by manufacturer.
Trading of animal health products	Revenue is recognised at point in time when the goods are delivered to customers.	Credit period of 30 to 150 days from the invoice date.	Trade discounts.	Not applicable.	Not applicable.
Trading of food supplies.	Revenue is recognised at point in time when the goods are delivered to customers.	Credit period of 30 to 150 days from the invoice date.	Trade discounts.	Not applicable.	Not applicable.
Management fees	Revenue is recognised at point in time with the substance of the relevant terms of agreements/ contracts.	Repayable on demand.	Not applicable.	Not applicable.	Not applicable.

20. OPERATING PROFIT/(LOSS)

Operating profit/(loss) has been arrived at:-

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
After charging:-					
Amortisation of right-of-use assets		416	422	-	-
Auditors' remunerations:-					
- statutory audit					
- current year		100	67	30	19
- overprovision in prior year		(5)	(3)	(5)	(3)
Depreciation of:-					
- property, plant and equipment		554	555	-	-
- investment property		17	18	-	-
Directors' remunerations	21	1,686	2,024	1,686	2,024
Impairment losses on:-					
- amount owing by subsidiaries		-	-	-	5,747
- trade receivables		119	145	-	-
Loss on foreign exchange:-					
- unrealised		143	24	-	-
Lease expenses relating to short-term leases ¹		324	324	-	-
Staff costs:-					
- salaries, bonuses, commissions, and allowances		5,754	7,300	1,288	-
- Employees' Provident Fund, Social Security Organisation contribution and Employee Insurance Scheme		806	826	170	164
Provision for slow-moving inventories		256	-	-	-
Written-off of:-					
- bad debts		4	-	-	-
- inventories		341	35	-	-
- property, plant and equipment		12	-	-	-

¹ The Group leases equipment with contract term of one (1) year. These leases are short term. The Group has elected not to recognised right-of-use assets and lease liabilities for these leases.

20. OPERATING PROFIT/(LOSS) (CONT'D)

Operating profit/(loss) has been arrived at:- (cont'd)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
And crediting:-					
Dividend received		(1)	(1)	-	-
Fair value gain on financial assets		(450)	(428)	(165)	(156)
Gain on disposal of property, plant and equipment		(14)	-	-	-
Gain on foreign exchange:-					
- realised		(135)	(112)	-	(22)
Gain on termination of lease contracts		-	(17)	-	-
Interest income		(97)	(113)	(11)	(127)
Rental income		(189)	(190)	-	-
Reversal of provision for slow-moving inventories		(166)	-	-	-
Reversal of impairment loss on:-					
- trade receivables		(83)	(13)	-	-
Waiver of debt		(2)	-	-	-

21. DIRECTORS' REMUNERATIONS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors' remunerations:-				
- salaries and bonuses	1,432	1,777	1,432	1,777
- allowances	27	32	27	32
- fees	96	96	96	96
- contributions to defined contribution plan and social security organisation	131	119	131	119
	1,686	2,024	1,686	2,024

22. FINANCE COSTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Impact on discounting effect on financial instruments	-	1	-	-
Lease liabilities interests	82	82	-	-
Total finance costs	82	83	-	-

23. TAXATION

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Income tax:-					
- current year		1,529	675	3	10
- over provision in previous year		(311)	(110)	(21)	-
		<u>1,218</u>	<u>565</u>	<u>(18)</u>	<u>10</u>
Deferred tax:-	17				
- current year		(12)	27	-	-
- under/(over) provision in previous year		116	(60)	-	-
		<u>104</u>	<u>(33)</u>	<u>-</u>	<u>-</u>
Total		<u>1,322</u>	<u>532</u>	<u>(18)</u>	<u>10</u>

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit/(Loss) before taxation	<u>4,831</u>	<u>872</u>	<u>1,545</u>	<u>(5,729)</u>
Taxation at applicable tax rate of 24%	1,159	209	371	(1,375)
Tax effects arising from:-				
- expenses not deductible for tax purposes	607	494	7	1,417
- income not subject to tax	(420)	(68)	(375)	(36)
- deferred tax assets not recognised	171	66	-	4
- (over)/under accrual in previous year:-				
- income tax	(311)	(110)	(21)	-
- deferred tax	116	(60)	-	-
- Difference from tax rate in other jurisdictions	-	1	-	-
Tax expenses for the financial year	<u>1,322</u>	<u>532</u>	<u>(18)</u>	<u>10</u>

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax assets				
Unabsorbed capital allowance carried forward	950	841	-	-
Unutilised business losses carried forward	6,874	6,270	1,686	1,686
	<u>7,824</u>	<u>7,111</u>	<u>1,686</u>	<u>1,686</u>
Potential deferred tax assets not recognised	<u>1,878</u>	<u>1,707</u>	<u>405</u>	<u>405</u>

23. TAXATION (CONT'D)

Deferred tax assets have not been recognised in respect of the above unutilised business losses due to uncertainty of its realisation.

The unutilised business assets are available to offset against future taxable profits of the Group and of the Company, subject to the requirements under Income Tax Act, 1967 and guidelines issued by Inland Revenue Board of Malaysia.

With effect from the year of assessment ("YA") 2019, unutilised business losses in a YA can only be carried forward for a maximum period of 10 consecutive YAs. Unutilised business losses for YA 2025 can be set off against income from any business source for 10 YAs and will be disregarded in YA 2036.

The unutilised business losses can only be carried forward until the following YAs:-

	Group RM'000	Company RM'000
YA 2028	812	500
YA 2029	1,248	668
YA 2030	1,106	127
YA 2031	867	-
YA 2032	998	391
YA 2033	1,238	-
YA 2035	605	-
	6,874	1,686

24. EARNINGS PER ORDINARY SHARE

(a) Basic earnings per ordinary share

	Group	
	2025 RM'000	2024 RM'000
Net profit attributable to owners of the parent	3,509	340
Weighted average number of ordinary shares in issue ('000)	141,161	141,161
Basic profit per ordinary share (sen)	2.49	0.24

The basic earnings per ordinary share is calculated by dividing the consolidated net earnings attributable to equity owners of the Company by the weighted average number of ordinary shares issued as of the reporting date.

(b) Diluted earnings per ordinary share

The Group has no potential ordinary share issued as at reporting date and therefore, diluted profit per share equals basic profit per ordinary share.

25. DIVIDEND PAID

Group and Company	Ordinary shares Units'000	Total amount RM'000	Date of payment
2025			
Single-tier final dividend of RM0.01 per ordinary share	141,161	1,411	13 June 2025

26. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Identification of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:-

- (i) Holding company;
- (ii) Direct subsidiaries;
- (iii) Indirect subsidiaries;
- (iv) Directors' related companies refer to companies in which directors of the Group have substantial financial interests; and
- (v) Key management personnel which comprise persons (including the directors of the Company) having the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

(b) Significant related party transactions

During the financial year, the significant related party transactions are as follows:-

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Subsidiaries				
Management fees income	-	-	(3,516)	(3,792)
Dividend income	-	-	(1,440)	-
Related parties				
Rental paid	(324)	(324)	-	-

26. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(c) Key management personnel remunerations

The remunerations of the key management personnel is as follow:-

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Executive Directors				
Salaries and bonuses	1,432	1,777	1,432	1,777
Allowances	21	26	21	26
Contributions to defined contribution plan and social security organisation	131	119	131	119
	<u>1,584</u>	<u>1,922</u>	<u>1,584</u>	<u>1,922</u>
Non-Executive Directors				
Fees	96	96	96	96
Allowances	6	6	6	6
	<u>102</u>	<u>102</u>	<u>102</u>	<u>102</u>
Total remunerations	<u>1,686</u>	<u>2,024</u>	<u>1,686</u>	<u>2,024</u>

27. SEGMENT REPORTING

The Group adopted MFRS 8, Operating Segments. MFRS 8 requires the identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and assess their performance.

General information

The information reported to the Group's chief operating decision maker to make decisions about resources to be allocated and for assessing their performance is based on the nature of the products and services, and has three reportable operating segments as follows:-

- (a) Food services division;
- (b) Animal health products; and
- (c) Others

Measurement of reportable segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements. Segment profit or loss is profit earned or loss incurred by each segment without allocation of depreciation and amortisation, finance cost, income from other investment and income tax expense.

There are no significant changes from prior financial year in the measurement methods used to determine reported segment profit or loss. All the Group's assets and liabilities are allocated to reportable segments other than deferred tax assets and deferred tax liabilities.

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27. SEGMENT REPORTING (CONT'D)

Group 2025	Food service equipment RM'000	Animal health products RM'000	Others RM'000	Total RM'000	Eliminations RM'000	Note	Consolidated RM'000
Revenue							
External sales	23,857	31,782	1,127	56,766	-		56,766
Inter-segment sales	506	-	7,749	8,255	(8,255)	(a)	-
Total revenue	<u>24,363</u>	<u>31,782</u>	<u>8,876</u>	<u>65,021</u>	<u>(8,255)</u>		<u>56,766</u>
Results							
Amortisation of right-of-use assets	(44)	-	(372)	(416)	-		(416)
Depreciation of property, plant and equipment	(2)	(81)	(389)	(472)	(82)	(a)	(554)
Depreciation of investment property	-	(34)	(65)	(99)	82	(a)	(17)
Dividend income	-	1	-	1	-		1
Fair value gain on financial assets	-	128	322	450	-		450
Gain on disposal of property, plant and equipment	-	-	14	14	-		14
Interest incomes	-	40	57	97	-		97
Impairment loss on trade receivables	(119)	-	-	(119)	-		(119)
Inventories written off	(142)	-	(199)	(341)	-		(341)
Miscellaneous income	252	6	276	534	(123)	(a)	411
Property, plant and equipment written off	-	-	(12)	(12)	-		(12)
Provision for slow-moving inventories	(256)	-	-	(256)	-		(256)
Rental income	-	236	241	477	(288)	(a)	189
Reversal of impairment loss on trade receivables	83	-	-	83	-		83
Reversal of provision for slow-moving inventories	166	-	-	166	-		166
Interest expenses	(46)	(14)	(22)	(82)	-		(82)
Unrealised gain/(loss) on foreign exchange	10	-	(128)	(118)	(25)	(a)	(143)
Unallocated corporate expenses	(23,328)	(27,771)	(7,448)	(58,547)	7,141	(a)	(51,406)
	<u>(23,426)</u>	<u>(27,489)</u>	<u>(7,725)</u>	<u>(58,640)</u>	<u>6,705</u>		<u>(51,935)</u>
Profit for the financial year	937	4,293	1,151	6,381	(1,550)		4,831

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27. SEGMENT REPORTING (CONT'D)

Group 2025	Food service equipment RM'000	Animal health products RM'000	Others RM'000	Total RM'000	Eliminations RM'000	Note	Consolidated RM'000
Assets							
Tax recoverables	12	20	340	372	-		372
Segment assets	12,663	15,575	48,954	77,192	(21,908)	(b)	55,284
Consolidated total assets	<u>12,675</u>	<u>15,595</u>	<u>49,294</u>	<u>77,564</u>	<u>(21,908)</u>		<u>55,656</u>
Other information							
Additions to:-							
- property, plant and equipment	-	9	277	286	-		286
Liabilities							
Deferred tax liabilities	-	56	118	174	-	(c)	174
Lease liabilities	173	-	669	842	-	(c)	842
Segment liabilities	1,485	3,192	11,578	16,255	(11,763)	(c)	4,492
Consolidated total liabilities	<u>1,658</u>	<u>3,248</u>	<u>12,365</u>	<u>17,271</u>	<u>(11,763)</u>		<u>5,508</u>

**NOTES TO THE
FINANCIAL STATEMENTS**
(CONT'D)

27. SEGMENT REPORTING (CONT'D)

Group 2024	Food service equipment RM'000	Animal health products RM'000	Others RM'000	Total RM'000	Eliminations RM'000	Note	Consolidated RM'000
Revenue							
External sales	22,495	31,085	5,425	59,005	(1,809)	(a)	57,196
Inter-segment sales	1,049	-	3,792	4,841	(4,841)	(a)	-
Total revenue	<u>23,544</u>	<u>31,085</u>	<u>9,217</u>	<u>63,846</u>	<u>(6,650)</u>		<u>57,196</u>
Results							
Amortisation of right-of-use assets	(180)	(47)	(195)	(422)	-		(422)
Depreciation of property, plant and equipment	(3)	(106)	(363)	(472)	(83)	(a)	(555)
Depreciation of investment property	-	(35)	(66)	(101)	83	(a)	(18)
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 incomes	-	34	79	113	-		113
Impairment loss on trade receivables	(145)	-	-	(145)	-		(145)
Inventories written off	(35)	-	-	(35)	-		(35)
Miscellaneous income	177	10	16	203	-		203
Rental income	-	240	238	478	(288)	(a)	190
Reversal of impairment loss on trade receivables	13	-	-	13	-		13
Interest expenses	(38)	(17)	(28)	(83)	-		(83)
Unallocated corporate expenses	(24,084)	(29,128)	(9,627)	(62,839)	6,832	(a)	(56,007)
Unrealised gain on foreign exchange	-	-	57	57	(81)	(a)	(24)
(Loss)/Profit for the financial year	<u>(24,295)</u>	<u>(28,928)</u>	<u>(9,564)</u>	<u>(62,787)</u>	<u>6,463</u>		<u>(56,324)</u>
	(751)	2,157	(347)	1,059	(187)		872

**NOTES TO THE
FINANCIAL STATEMENTS**
(CONT'D)

27. SEGMENT REPORTING (CONT'D)

Group 2024	Food service equipment RM'000	Animal health products RM'000	Others RM'000	Total RM'000	Eliminations RM'000	Note	Consolidated RM'000
Assets							
Addition to non-current assets	-	257	215	472	-		472
Segment assets	8,966	15,216	57,517	81,699	(28,667)	(b)	53,032
Tax recoverables	239	287	306	832	-		832
Consolidated total assets	9,205	15,760	58,038	83,003	(28,667)		54,336
Other information							
Additions to:-							
- property, plant and equipment	-	257	215	472	-		472
Liabilities							
Segment liabilities	1,716	3,978	13,039	18,733	(12,462)	(c)	6,271
Deferred tax liabilities	-	-	70	70	-		70
Consolidated total liabilities	1,716	3,978	13,109	18,803	(12,462)		6,341

27. SEGMENT REPORTING (CONT'D)

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

- (a) Inter-segment transactions and revenue are eliminated on consolidation;
- (b) Inter-segment assets are eliminated on consolidation; and
- (c) Inter-segment liabilities are eliminated on consolidation.

Major customers

The following is the major customer with revenue equal or more than 10% of the Group's total revenue:-

	Revenue		Segments
	2025 RM'000	2024 RM'000	
Customer A	5,272	4,180	Food service equipment
Customer B	4,183	3,490	

28. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:-

- (i) Financial assets measured at amortised cost
- (ii) Financial assets measured at fair value through profit or loss
- (iii) Financial assets measured at fair value through other comprehensive income; and
- (iv) Financial liabilities measured at amortised cost

Group	Carrying amounts RM'000	Financial assets at amortised cost RM'000	Financial asset at fair value through profit or loss RM'000	Financial asset at fair value through comprehensive income RM'000	Financial liabilities at amortised cost RM'000
2025					
Financial assets					
Investment securities	75	-	-	75	-
Trade and other receivables	12,031	12,031	-	-	-
Other investments	12,904	-	12,904	-	-
Cash and bank balances	6,650	6,650	-	-	-
	<u>31,660</u>	<u>18,681</u>	<u>12,904</u>	<u>75</u>	<u>-</u>
Financial liabilities					
Trade and other payables	2,531	-	-	-	2,531
Lease liabilities	842	-	-	-	842
	<u>3,373</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,373</u>

28. FINANCIAL INSTRUMENTS (CONT'D)
(a) Categories of financial instruments (cont'd)

Group	Carrying amounts RM'000	Financial assets at amortised cost RM'000	Financial asset at fair value through profit or loss RM'000	Financial asset at fair value through comprehensive income RM'000	Financial liabilities at amortised cost RM'000
2024					
Financial assets					
Investment securities	91	-	-	91	-
Trade and other receivables	13,695	13,695	-	-	-
Other investments	11,954	-	11,954	-	-
Cash and bank balances	4,871	4,871	-	-	-
	<u>30,611</u>	<u>18,566</u>	<u>11,954</u>	<u>91</u>	<u>-</u>
Financial liabilities					
Trade and other payables	3,682	-	-	-	3,682
Lease liabilities	948	-	-	-	948
	<u>4,630</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,630</u>

Company	Carrying amounts RM'000	Financial assets at amortised cost RM'000	Financial asset at fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000
2025				
Financial assets				
Other receivables	2	2	-	-
Amount owing by subsidiaries	5,032	5,032	-	-
Other investments	5,524	-	5,524	-
Cash and bank balances	288	288	-	-
	<u>10,846</u>	<u>5,322</u>	<u>5,524</u>	<u>-</u>
Financial liability				
Other payables	38	-	-	38
2024				
Financial assets				
Other receivables	2	2	-	-
Amount owing by subsidiaries	5,759	5,759	-	-
Other investment	4,359	-	4,359	-
Cash and bank balances	299	299	-	-
	<u>10,419</u>	<u>6,060</u>	<u>4,359</u>	<u>-</u>
Financial liability				
Other payables	35	-	-	35

28. FINANCIAL INSTRUMENTS (CONT'D)

(b) Net (gains)/losses arising from financial instruments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net (gains)/losses on:-				
Financial assets at amortised cost	(97)	(113)	(165)	(156)
Financial liabilities at amortised cost	82	83	-	-
	<u>(15)</u>	<u>(30)</u>	<u>(165)</u>	<u>(156)</u>
Net losses/(gains) on impairment of financial assets:-				
Financial assets at amortised cost	36	132	-	5,747

(c) Financial risk management

The activities of the Group and of the Company are exposed to certain financial risks, including credit risk, liquidity risk, interest rate risk and foreign currency risk. The overall financial risk management objective of the Group and of the Company are to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on their financial position, performance and cash flows.

The aforementioned financial risk management objective and its related policies and processes explained below have remained unchanged from the previous financial year.

(i) Credit risk

The Group's exposures to credit risk arises mainly from receivables and fixed deposits placed with licensed banks. The Company's exposures to credit risk arises mainly from its advances to subsidiaries. The maximum credit risk exposure of these financial assets is best represented by their respective carrying amounts in the statements of financial position.

Trade receivables

Risk management objectives, policies and processes for managing the risk

The Group has a credit policy in place to monitor and minimise the exposure of default. Credit evaluations are performed on all customers requiring credit over certain amount. The Group also has an internal credit review which is conducted if the credit risk is material. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

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

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 is represented by the carrying amounts in the statements of financial position.

As at 31 December 2025, the Group has significant concentration of credit risk in the form of outstanding amount of approximately RM5,352,950/- (2024: RM4,867,054/-) due from five (5) (2024: four (4)) trade receivables respectively which represents 46% (2024: 46%) of the total net current trade receivables of the Group. The directors are of the opinion that these amounts outstanding are fully recoverable. Credit risk and receivables are monitored on an ongoing basis. These procedures substantially mitigate credit risk of the Group.

28. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management (cont'd)

(i) Credit risk (cont'd)

Trade receivables (cont'd)

Exposure to credit risk, credit quality and collateral (cont'd)

Management has taken reasonable steps to ensure that trade receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any past due receivables having significant balances, which are deemed to have higher credit risk are monitored individually.

Expected credit losses ("ECL") assessment for trade receivables

The Group uses simplified matrix approach to measure the ECLs of trade receivables from individual customers. To measure the expected credit losses, trade receivables have been grouped based on credit risk ranking and days past due.

The following table provides information about the exposure to credit risk and ECLs for trade receivables:-

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2025			
Trade receivables			
Current (not past due)	7,076	-	7,076
1 to 30 days past due	2,391	(12)	2,379
31 to 60 days past due	866	(4)	862
61 to 90 days past due	1,176	(2)	1,174
	11,509	(18)	11,491
Credit impaired			
More than 90 days past due	433	(211)	222
	11,942	(229)	11,713
2024			
Trade receivables			
Current (not past due)	5,940	(1)	5,939
1 to 30 days past due	2,741	(7)	2,734
31 to 60 days past due	2,142	(6)	2,136
61 to 90 days past due	557	-	557
	11,380	(14)	11,366
Credit impaired			
More than 90 days past due	2,050	(179)	1,871
	13,430	(193)	13,237

Movements in the allowance for impairment losses in respect of trade receivables

During the financial year, the Group recognised ECLs of RM36,000/- (2024: recognised ECLs of RM132,000/-) on trade receivables as disclosed in Note 11(a) to the financial statements.

28. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management (cont'd)

(i) Credit risk (cont'd)

Other receivables

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

Expected credit loss of other receivables is determined individually after considering the financial strength, payment patterns and expected default rate of the other receivables.

During the financial year, the Group does not recognise any ECLs on other receivables.

Inter-company balances

The Company provides advances to its subsidiaries. The Company monitors the results of the subsidiary companies regularly.

Credit risk and impairment losses for inter-company balances

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.

Expected credit loss of inter-company loans and advances are determined individually after considering the financial strength, payment patterns and expected default rate of the inter-company.

During the financial year, the Company recognised an impairment of ECLs of Nil (2024: RM5,747,000/-) for inter-company loans and advances as disclosed in Note 12 to the financial statements.

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. 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.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risks arises primarily from mismatched of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company actively manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that all financing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash or cash convertible instruments to meet their working capital requirements.

**NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)**

28. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management (cont'd)

(ii) Liquidity risk (cont'd)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:-

Group	Carrying amounts RM'000	Contractual interest rate/ Discount rate %	Contractual undiscounted cash flows RM'000	On demand or within 1 year RM'000	1 - 5 years RM'000	More than 5 years RM'000	Contractual cashflows RM'000
2025							
Financial liabilities							
Trade and other payables	2,531	-	2,531	2,531	-	-	-
Lease liabilities	842	6.64 - 7.89	956	325	631	-	956
	<u>3,373</u>		<u>3,487</u>	<u>2,856</u>	<u>631</u>	<u>-</u>	<u>956</u>
2024							
Financial liabilities							
Trade and other payables	3,682	-	3,682	3,682	-	-	-
Lease liabilities	948	6.64 - 7.89	1,079	415	664	-	1,079
	<u>4,630</u>		<u>4,761</u>	<u>4,097</u>	<u>664</u>	<u>-</u>	<u>1,079</u>

**NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)**

28. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management (cont'd)

(ii) Liquidity risk (cont'd)

Maturity analysis (cont'd)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:- (cont'd)

Company	Carrying amounts RM'000	Contractual interest rate/ Discount rate %	Contractual undiscounted cash flows RM'000	On demand or within 1 year RM'000	1 - 5 years RM'000	More than 5 years RM'000	Contractual cashflows RM'000
2025							
Financial liability							
Other payables	38	-	38	38	-	-	-
2024							
Financial liability							
Other payables	35	-	35	35	-	-	-

28. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management (cont'd)

(iii) Interest rate risk

The Group's and the Company's exposure to interest rate risk arises mainly from interest-bearing financial instruments, namely lease liabilities.

The Group and the Company observe the movements in interest rates and strive to obtain the most favourable rates available for new financing or during repricing. It is also the Group's and the Company's policy to maintain a mix of fixed and floating rate financial instruments.

Group	Effective interest rate %	Carrying amounts RM'000
2025		
Financial liability		
Lease liabilities	6.64 - 7.89	842
2024		
Financial liability		
Lease liabilities	6.64 - 7.89	948

Sensitivity analysis for interest rate

As the Group does not account for its fixed rate financial instruments at fair value through profit or loss, any changes in interest rates at the end of reporting year would not affect its profit or loss. For floating rate financial instruments stated at amortised cost, the following table demonstrates the sensitivity of profit or loss to changes in interest rates that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	Group (Increase)/Decrease in Profit or Loss	
	2025 RM'000	2024 RM'000
Increase in interest rate by 5%	(32)	(36)
Decrease in interest rate by 5%	32	36

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entity are kept to an acceptable level.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations. The Group's investments in foreign operations are not hedged.

The financial assets and financial liabilities of the Group that are not denominated in the functional currencies are disclosed in respective notes to the financial statements.

28. FINANCIAL INSTRUMENTS (CONT'D)
(c) Financial risk management (cont'd)
(iv) Foreign currency risk (cont'd)

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the exchange rates of United States Dollar ("USD"), Euro ("Euro") and Pound Sterling ("GBP") against the functional currency of the Group and the Company, with all other variables held constant.

Group		(Increase)/Decrease in Profit or Loss	
		2025 RM'000	2024 RM'000
USD/RM	- strengthened 5%	79	14
	- weakened 5%	(79)	(14)
EURO/RM	- strengthened 5%	(3)	-
	- weakened 5%	3	-
GBP/RM	- strengthened 5%	(4)	-
	- weakened 5%	4	-

(d) Fair value information

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

The table below analyses the fixed rate current financial instruments carried at fair value is disclosed, together with its fair value and carrying amount shown in the statements of financial position:-

Group	Fair value of financial instruments not carried at fair value			Total fair value RM'000	Carrying amounts RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
2025					
Financial assets					
Investment securities	75	-	-	75	75
Other investments	12,904	-	-	12,904	12,904
Financial liability					
Lease liabilities	-	-	956	956	842
2024					
Financial assets					
Investment securities	91	-	-	91	91
Other investments	11,954	-	-	11,954	11,954
Financial liability					
Lease liabilities	-	-	1,079	1,079	948

28. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair value information (cont'd)

The table below analyses the fixed rate current financial instruments carried at fair value is disclosed, together with its fair value and carrying amount shown in the statements of financial position:- (cont'd)

Company	Fair value of financial instruments not carried at fair value			Total fair value RM'000	Carrying amounts RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
2025					
Financial asset					
Other investments	5,524	-	-	5,524	5,524
2024					
Financial asset					
Other investments	4,359	-	-	4,359	4,359

Fair value hierarchy

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

There has been no transfer between Level 1 and Level 2 fair values during the financial year.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities. The Group and the Company use valuation techniques in determining fair values for financial instruments.

Type of financial instruments

Lease liabilities

Description of valuation technique and inputs used

Discounted cash flows using a rate based on effective interest rate from lease liability agreement.

29. 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.

30. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation.

31. SUBSEQUENT EVENT

Subsequent to the financial year end, the Group and the Company have declared a single-tier interim dividend for the financial year ended 31 December 2025 on 26 February 2026. The dividend of RM0.01 per ordinary share amounting to RM1,411,600/- was paid on 27 March 2026.

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Rule 9.25A of the ACE Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(A) GROUP TOTAL INCOME AND TOTAL ASSETS

Total Income	Remarks	Group	
		2025 RM'000	2024 RM'000
Revenue		56,766	57,196
Other income		1,246	940
Total		58,012	58,137
Total Assets		55,658	54,338

(B) BUSINESS ACTIVITIES

Shariah Non-Compliant Activities	Remarks	Group	
		2025 RM'000	2024 RM'000
Animal feeds and veterinary products related for pigs and dogs	Swine Farm	548	574
Interest Income	Conventional	97	113
Gain from investment in conventional instruments	Conventional	404	370
Total		1,050	1,057

(C) COMPONENT OF FINANCIAL POSITION

(i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2025 RM'000	2024 RM'000
Financial assets/Instruments	Money Market Funds	1,463	1,417
Total		1,463	1,417

Conventional Account/Instruments	Remarks	Group	
		2025 RM'000	2024 RM'000
Cash at bank		6,543	4,780
Financial assets/Instruments	Quoted shares	75	91
Financial assets/Instruments	Money Market Funds	11,442	10,538
Total		18,060	15,409

**DISCLOSURE OF FINANCIAL DATA
FOR SHARIAH SCREENING
(CONT'D)**

(C) COMPONENT OF FINANCIAL POSITION (CONT'D)

(ii) Debt Component


Islamic Financing	Remarks	Group	
		2025 RM'000	2024 RM'000
Current		N/A	N/A
Non-Current		N/A	N/A
Total Financing		N/A	N/A

Conventional Borrowing	Remarks	Group	
		2025 RM'000	2024 RM'000
Current		N/A	N/A
Non-Current		N/A	N/A
Total Debt		N/A	N/A



LIST OF PROPERTIES

Location of Property	Description (Existing Use)	Land Area Buildup Area (Sq ft.)	Tenure	Age of Building	Net Book Value as at 31.12.2025	Date of acquisition
No. 93, Jalan Pendarar 27/90, Seksyen 27, 40400 Shah Alam. (PT No 4782)	Company Warehouse 1+1/2 storey factory	9,430 / 5,835	Freehold	29 years	RM590,457	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	19 years	RM297,651	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	19 years	RM297,651	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	23 years	RM272,980	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	23 years	RM258,226	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	55 years	RM224,162	October 1992
No. 91, Jalan Pendarar 27/90, Seksyen 27, 40400 Shah Alam. (PT No 4783)	Company Warehouse 1+1/2 storey factory	4,680 / 3,735	Freehold	29 years	RM203,243	June 1994
No. 89, Jalan Pendarar 27/90, Seksyen 27, 40400 Shah Alam. (PT No 4784)	Company Warehouse 1+1/2 storey factory	4,680 / 3,735	Freehold	29 years	RM1,365,000	July 2021



ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

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
74	Less than 100	2,152	*
112	100 to 1,000	47,211	0.03
345	1,001 to 10,000	2,013,160	1.43
430	10,001 to 100,000	15,426,920	10.93
102	100,001 to less than 5% of issued shares	61,775,621	43.76
4	5% and above of the issued shares	61,895,076	43.85
1,067	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.	Chu Sou Taik	4,376,448	3.10
8.	Soh Kian Teck	4,117,296	2.92
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	1,970,000	1.40
14.	Yee Kim Ee	1,779,330	1.26
15.	Khor Meow Siang	1,533,300	1.09
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)	1,111,800	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

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
		108,985,992	77.22

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	24.10	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	%
1.	Cher Lip Chun	1,024,802	0.73	35,337,873#	25.03
2.	Cher Sew Seng	19,397,847	13.74	1,482,500##	1.05
3.	Cher Lip Ter	1,115,100	0.79	35,107,586###	24.87
4.	Tan Tian Wooi	-	-	-	-
5.	Datuk Wira Dr Goy Hong Boon	-	-	-	-
6.	Puar Chin Jong	-	-	-	-
7.	Lew Yen Peng	-	-	-	-

Notes:-

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 26th Annual General Meeting (“AGM”) of **SCC HOLDINGS BERHAD** will be held at Flamingo 1, Level 7, The Pearl Kuala Lumpur, Batu 5, Jalan Klang Lama, 58000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on **Friday, 22 May 2026 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 2025 (“**FYE2025**”) together with the Report of the Directors and Auditors thereon. **(See Explanatory Note 8)**
2. To approve the proposed additional payment of Directors’ fees and benefits payable of RM14,000.00 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 1 (See Explanatory Note 9)**
3. To approve the payment of Directors’ fees and benefits payable of up to RM130,000 for the financial year ending 31 December 2027 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 9)**
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 10)**
 - (i) Mr. Cher Lip Chun; and **Ordinary Resolution 3**
 - (ii) Mr. Tan Tian Wooi. **Ordinary Resolution 4**
5. To re-appoint Thelyx Malaysia PLT as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5 (See Explanatory Note 11)**

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 12)**

“**THAT** subject always to the CA 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 CA 2016 to allot and issue shares in the Company, at any time and from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) for the time being and that the Directors be and are also empowered to obtain approval from Bursa 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 CA 2016 and Clause 21 of the Constitution of the Company arising from any issuance of new shares pursuant to the Mandate;

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

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

By Order of the Board
SCC HOLDINGS BERHAD

JEREMY TAI YUNG WEI (MAICSA 7065447) (SSM PC No. 202308000580)

THONG PUI YEE (MAICSA 7067416) (SSM PC No. 202008000510)

Company Secretaries
Kuala Lumpur

Date: 23 April 2026

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 14 May 2026 (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 FYE2025

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

9. Payment of Directors’ Fees and Benefits

Section 230 (1) of the CA 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 1 is to facilitate additional payment of Directors’ fees and benefits for the financial year ending 31 December 2026. The Proposed Ordinary Resolution 2 is to facilitate payment of Directors’ fees and benefits for the financial year ending 31 December 2027.

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



NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

10. Re-election of Directors

The Proposed Ordinary Resolutions 3 and 4 in Agenda 4, if passed, will allow Mr. Cher Lip Chun (“**Mr. Adam Cher**”) and Mr. Tan Tian Wooi (“**Mr. Tan**”) (“**Retiring Directors**”), who re-elected and continued acting as Directors of the Company. Mr. Adam Cher and Mr. Tan 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 26th 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. Adam Cher and Mr. Tan are set out in the Directors’ Profile section of the Annual Report 2025.

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

11. Re-appointment of Auditors

The Audit and Risk Management Committee (“**ARMC**”) had assessed the objectivity, suitability and independence of the External Auditors and recommended the re-appointment of Thelyx Malaysia PLT as External Auditors of the Company for the financial year ending 31 December 2026. The Board has reviewed the recommendation of the ARMC and recommended the same for the shareholders’ approval at the 26th AGM of the Company.

Explanatory Notes on Special Business

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

The Ordinary Resolution 6 is proposed pursuant to Sections 75 and 76 of the CA 2016 for the purpose of obtaining a renewed general mandate (“**General Mandate**”), which if passed, will empower the Directors of the Company to allot and issue new ordinary shares in the Company at any time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors deem fit and in the best interest of the Company. This General Mandate, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next annual general meeting of the Company after the approval was given, or at the expiry of the period within which the next annual general meeting of the Company is required to be held after the approval was given, whichever is earlier.

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

As at the date of this Notice, no new ordinary shares in the Company were issued pursuant to the general mandate granted to the Directors at the last Annual General Meeting held on 23 May 2025 and it will lapse at the conclusion of the 26th AGM of the Company.

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

Pursuant to Section 85 of the CA 2016 read together with Clause 21 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other securities. Should the existing shareholders of the Company approve the proposed Ordinary Resolution 6, they are waiving their pre-emptive rights pursuant to Section 85(1) of the CA 2016, which then would allow the Directors to issue New Shares to any person without having to offer the said New Shares equally to all existing shareholders of the Company prior to issuance. This will result in a dilution to the shareholding percentage of the existing shareholders of the Company.

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 26th 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 26th AGM (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to the 26th 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 26th AGM.
2. The profiles of the Directors who are standing for re-election as in Agenda 4 of the Notice of the 26th AGM of the Company are set out in the Board of Directors' Profile section of this Annual Report 2025.
3. The details of the Directors' interests in the securities of the Company as at 31 March 2026 are set out in the Analysis of Shareholdings section of this Annual Report 2025.

**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 26th Annual General Meeting ("**AGM**") of the Company which will be held at Flamingo 1, Level 7, The Pearl Kuala Lumpur, Batu 5, Jalan Klang Lama, 58000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on **Friday, 22 May 2026** at **2.30 p.m.** or at any adjournment thereof.

ORDINARY RESOLUTIONS		FOR	AGAINST
1.	Additional Payment of Directors' Fees and Benefits for the financial year ending 31 December 2026		
2.	Payment of Directors' Fees and Benefits for the financial year ending 31 December 2027		
3.	Re-election of Mr. Cher Lip Chun as Director of the Company		
4.	Re-election of Mr. Tan Tian Wooli 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 _____ 2026.

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 14 May 2026 (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.

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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

200001008871 (511477-A)

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58200 Kuala Lumpur, Malaysia.

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