



# SHH RESOURCES HOLDINGS BERHAD

(Company No.: 304227-U)  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.09.2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2014 RM'000	CURRENT YEAR TO DATE 30.09.2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.09.2014 RM'000
Revenue	32,068	21,818	32,068	21,818
Cost of Sales	(23,964)	(18,723)	(23,964)	(18,723)
Gross Profit	8,104	3,095	8,104	3,095
Other Operating Income	1,085	266	1,085	266
Operating Expenses	(3,340)	(2,589)	(3,340)	(2,589)
Net Gain/(Loss) on Financial Assets and Financial Liabilities at Fair Value	(1,913)	(129)	(1,913)	(129)
Profit/(Loss) From Operations	3,936	643	3,936	643
Finance Cost	(73)	(61)	(73)	(61)
Share of Profits of Associate Company	-	-	-	-
Profit/(Loss) Before Taxation	3,863	582	3,863	582
Taxation	(382)	(189)	(382)	(189)
Profit/(Loss) For The Period	3,481	393	3,481	393
Other Comprehensive Income/(Loss) For The Period	-	-	-	-
Total Comprehensive Income/(Loss) For The Period	3,481	393	3,481	393
Profit/(Loss) Attributable to:				
Owners of the parent	3,481	393	3,481	393
Non-controlling interest	-	-	-	-
	3,481	393	3,481	393
Attributable to:				
Owners of the parent	3,481	393	3,481	393
Non-controlling interest	-	-	-	-
	3,481	393	3,481	393
Earnings/(Loss) Per Share (sen):-				
(a) Basic (sen)	6.96	0.79	6.96	0.79
(b) Diluted (sen)	-	-	-	-

( The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 June 2015)



# SHH RESOURCES HOLDINGS BERHAD

(Company No.: 304227-U)  
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## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	AS AT CURRENT QUARTER ENDED 30.09.2015 RM'000	AS AT PRECEDING YEAR ENDED 30.06.2015 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant and Equipment	39,889	40,462
Investment in an Associated Company	340	340
	<u>40,229</u>	<u>40,802</u>
<b>Current Assets</b>		
Inventories	20,031	22,096
Receivables	12,101	12,715
Tax Assets	248	269
Investment Management Fund	2,000	2,000
Deposits, Cash and Bank Balances	32,464	24,081
	<u>66,844</u>	<u>61,161</u>
<b>TOTAL ASSETS</b>	<b><u>107,073</u></b>	<b><u>101,963</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share Capital	49,998	49,998
Retained Profits	34,190	30,709
	<u>84,188</u>	<u>80,707</u>
<b>Non-Controlling Interest</b>	-	-
<b>Total Equity</b>	<u>84,188</u>	<u>80,707</u>
<b>Non-current Liabilities</b>		
Borrowings	-	18
Deferred Taxation	1,539	1,539
	<u>1,539</u>	<u>1,557</u>
<b>Current Liabilities</b>		
Payables	12,026	10,508
Borrowings	7,367	8,828
Derivatives Financial Instruments at Fair Value	1,913	331
Tax Liabilities	40	32
	<u>21,346</u>	<u>19,699</u>
<b>Total Liabilities</b>	<u>22,885</u>	<u>21,256</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>107,073</u></b>	<b><u>101,963</u></b>
<b>Net assets per share attributable to the owners of the parent (RM)</b>	<b><u>1.68</u></b>	<b><u>1.61</u></b>

( The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 June 2015)



# SHH RESOURCES HOLDINGS BERHAD

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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

	CURRENT PERIOD TO DATE 30.09.2015 RM'000	PRECEDING PERIOD TO DATE 30.09.2014 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) Before Tax	3,863	582
Adjustments for:-		
Depreciation of property, plant and equipment	582	575
Distribution of investment management funds	(15)	(15)
Unrealised foreign exchange loss/(gain)	237	(196)
Net changes in fair value on derivative financial instruments	1,582	222
Interest expenses	73	61
Interest income	(162)	(129)
Loss/(gain) on disposal of property, plant and equipment	-	(17)
Operating Profit/(Loss) Before Changes In Working Capital	6,160	1,083
Changes In Working Capital		
Inventories	2,065	(511)
Receivables	1,192	(1,547)
Payables	1,147	800
Cash generated from / (used in) operations	10,564	(175)
Interest expenses	(73)	(61)
Interest income	162	129
Tax paid	(353)	(328)
Tax refund	-	333
<b>Net Cash Flows Generated From / (Used In) Operating Activities</b>	<b>10,300</b>	<b>(102)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	-	17
Purchase of property, plant and equipment	(9)	(171)
Distribution received from investment management funds	15	15
<b>Net Cash Flows Generated From / (Used In) Investing Activities</b>	<b>6</b>	<b>(139)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net movements in short term borrowings	(1,872)	1,048
Repayment of hire purchase obligations	(51)	(49)
<b>Net Cash Flows Generated From / (Used In) Financing Activities</b>	<b>(1,923)</b>	<b>999</b>
<b>Net Change In Cash And Cash Equivalents</b>	<b>8,383</b>	<b>758</b>
<b>Cash And Cash Equivalents At Beginning Of Year</b>	<b>24,081</b>	<b>21,786</b>
<b>Cash And Cash Equivalents At End Of Period</b>	<b>32,464</b>	<b>22,544</b>

( The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 30 June 2015)



# SHH RESOURCES HOLDINGS BERHAD

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## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	← Attributable to equity holders of the parent →				Non-controlling interest	Total equity
	Share Capital	Other Reserves	Retained Profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Current Period To Date</b>						
<b>30.09.2015</b>						
Balance At Beginning Of Year	49,998	-	30,709	80,707	-	80,707
Total Comprehensive Income For The Period	-	-	3,481	3,481	-	3,481
<b>Balance At End Of Period</b>	<b>49,998</b>	<b>-</b>	<b>34,190</b>	<b>84,188</b>	<b>-</b>	<b>84,188</b>
<b>Preceding Period To Date</b>						
<b>30.09.2014</b>						
Balance At Beginning Of Year	49,998	-	25,123	75,121	-	75,121
Total Comprehensive Income For The Period	-	-	393	393	-	393
<b>Balance At End Of Period</b>	<b>49,998</b>	<b>-</b>	<b>25,516</b>	<b>75,514</b>	<b>-</b>	<b>75,514</b>

( The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2015)



# SHH RESOURCES HOLDINGS BERHAD

(Company No.: 304227-U)  
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## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2015

### 1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 - Interim Financial Reporting and paragraph 9.22 of the Listings Requirements of the Bursa Malaysia Securities Berhad ("BMSB").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2015. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 30 June 2015.

### 2 Significant Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2015 except for those standards, amendments and IC interpretations which are effective from the annual period beginning 1 July 2015 and onwards. The adoption of these standards, amendments and IC interpretations does not have significant impact on the financial statements of the Group and the Company.

### 3 Qualification of audit report

There were no qualifications in the audit report of the preceding annual financial statements.

### 4 Seasonal or cyclical factors

The Group's operations have historically shown moderate seasonality where turnover are generally lower in the beginning of the calendar year due to lower overseas demands and longer local festive holidays.

### 5 Unusual items

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence for the period under review.

### 6 Changes in estimates

There were no changes in estimates reported in prior interim periods of the current financial period or preceding financial year which have a material effect in the current interim period.

### 7 Changes in debts and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the period under review.

### 8 Dividend paid

There were no dividends paid during the current financial period to date.

### 9 Segmental reporting

The Group operates principally in manufacturing industry in Malaysia. The Group is involved in the manufacturing and trading of wooden furniture.

The other business segments are not significant. Accordingly, information analysing geographical and industry segments is not presented.

### 10 Valuation of property, plant and equipment

There were no changes in the valuation of property, plant and equipment since the previous annual financial statements.

### 11 Material subsequent events

There were no material subsequent events as at the date of this report.

### 12 Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial period to date.

### 13 Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets to be disclosed as at the date of this report.

#### 14 SIGNIFICANT RELATED PARTY TRANSACTIONS

Nature of Transaction	Relationships of the Related Party	Current Quarter Ended 30.09.2015 RM'000	Current Year To Date 30.09.2015 RM'000
<p>(a) Purchase of materials, furniture parts and provision of workmanship labour services</p> <p>SHH Furniture Industries Sdn Bhd (SHH Furniture) purchases materials and furniture parts from Deseng Hardware (M) Sdn Bhd (DHSB).</p> <p>DHSB also provides workmanship labour services to SHH Furniture</p>	<p>a) SHH Furniture is a wholly-owned subsidiary of the Company.</p> <p>b) The Company has a 49% equity interest in DHSB.</p> <p>c) Teu Liat Soo is a director of Kurnia Sejati Sdn Bhd (KSSB) and Metro Court Sdn Bhd (MCSB). He has a 50% equity interest in Gerak Teras Sdn Bhd whom has a 51% shareholding in DHSB.</p>	1,394	1,394
<p>(b) Purchase of materials, furniture parts and provision of workmanship labour services</p> <p>KSSB purchases materials and furniture parts from DHSB.</p> <p>DHSB also provides workmanship labour services to KSSB.</p>	<p>a) KSSB is a wholly-owned subsidiary of the Company.</p> <p>b) The Company has a 49% equity interest in DHSB.</p> <p>c) Teu Liat Soo is a director of KSSB and MCSB. He has a 50% equity interest in Gerak Teras Sdn Bhd whom has a 51% shareholding in DHSB.</p>	330	330
<p>(c) Rental of premises</p> <p>Rental of office space by Nuswarna Development Sdn Bhd (NDSB) to the Company</p> <p><u>Location</u> No. 4, Lorong Dungun, Bukit Damansara, 50400 Kuala Lumpur.</p> <p><u>Monthly rental</u> RM4,663.00</p> <p><u>Size of rented space</u> 1,554sqft</p>	<p>a) Ling Hee Keat is a director of the Company and SHH Furniture.</p> <p>b) Ling Hee Keat is a director and major shareholder of NDSB.</p>	14	14

#### 15 Review of performance

For the current quarter under review, the Group's revenue has increased by 46.98% to RM32.07 million as compared to RM21.82 million in the preceding year's corresponding quarter. The increase were mainly due to the increase in orders from customers and the weakening of the Ringgit Malaysia against the US Dollar which resulted to higher Ringgit selling prices of our exports. Correspondingly, the Group has recorded a higher gross profit of RM8.10 million in the current quarter as compared to a gross profit of RM3.10 million in the preceding year's corresponding quarter. The profit before tax of the Group also improved to RM3.86 million in the current quarter compared to a profit before tax of RM0.58 million in the preceding year's corresponding quarter. The improved performance in the current quarter were mainly due to the higher revenue and the weakening of the Ringgit Malaysia against the US dollar.

#### 16 Comparison with preceding quarter's result

The Group's revenue for the current quarter under review of RM32.07 million represents an increase of 8.78% compared to RM29.48 million registered in the preceding quarter. The increase were mainly due to the increase in orders from customers and the weakening of the Ringgit Malaysia against the US Dollar which resulted to higher Ringgit selling prices of our exports. Correspondingly, the Group has recorded an increase in gross profit from RM7.03 million in the preceding quarter to RM8.10 million in the current quarter. However, the Group has recorded a slight decrease in profit before tax of RM3.86 million in the current quarter compared to a profit before tax of RM3.87 million in the preceding quarter due to the higher loss on derivative financial instruments.

## 17 Prospects

The global economic growth remains moderate and uneven. The slowdown in emerging markets driven by the weak commodity prices will affect economic activities and sentiment in most countries. The Group expects the operating environment to remain challenging and competitive due to the weak global sentiments, escalating production and labour costs and stiffer competition.

However, there is optimism in the US market, with improvements in its key economic indicators and consumers' confidence. With the improvements in the US economy and weakening of the Ringgit Malaysia against the US Dollar, the Board is optimistic that the Group will remain profitable.

## 18 Profit forecast and profit guarantee

Not applicable as there was no profit forecast or profit guarantee.

## 19 Profit before taxation

Profit/(loss) before taxation is arrived at after charging/(crediting):

	Current Quarter RM'000	Year To Date RM'000
Interest income	(162)	(162)
Distribution of investment management fund	(15)	(15)
Other income	(214)	(214)
Interest expense	73	73
Depreciation of property, plant and equipment	582	582
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Loss/(gain) on disposal of property, plant and equipment	-	-
Property, plant and equipment written off	-	-
Foreign exchange loss/(gain)		
- Realised	(931)	(931)
- Unrealised	237	237
Net changes in fair value on derivative financial instruments	1,913	1,913

## 20 Taxation

The taxation charged for the period under review comprised of :-

	Current Quarter RM'000	Year To Date RM'000
Current		
- Malaysian taxation	382	382
- Deferred taxation	-	-
	<u>382</u>	<u>382</u>
Adjustment in respect of prior year		
- Malaysian taxation	-	-
- Deferred taxation	-	-
	<u>-</u>	<u>-</u>
Total	<u>382</u>	<u>382</u>

The effective tax rate for the Group is lower than the statutory tax rate mainly due to the utilisation of unabsorbed capital allowances.

## 21 Sale of unquoted investments and/or properties

There were no sale of unquoted investments and / or properties for the current financial period to date.

## 22 Purchase or disposal of quoted securities

There were no purchases or disposals of quoted securities for the current financial period to date.

## 23 Group's borrowings and debt securities

	30.09.2015 RM'000
Secured	
- Short term	1,057
- Long term	-
	<u>1,057</u>
Unsecured	
- Short term	6,310
- Long term	-
	<u>6,310</u>
Total	<u>7,367</u>

Included in the above are short term borrowings amounting to RM3.618 million denominated in US Dollars.

## 24 Corporate proposals

There were no corporate proposals announced and not completed as at to date.

## 25 Financial instruments

### Derivatives

As at 30 September 2015, the outstanding amount of the forward foreign currency contracts which have been entered into by the Group are as follows:-

Forward Foreign Currency Contracts	Contracts Value (RM'000)	Fair Value (RM'000)	Changes in Fair Value (RM'000)
US Dollar - less than 1 year	21,451	23,364	(1,913)

The forward foreign currency contracts were entered to hedge the export sales revenue denominated in US Dollars. These forward contract were executed with a creditworthy licensed bank in Malaysia and the possibility of non performance by the licensed bank is remote on the basis of its financial strength. There are also no cash requirement risks as the Group only uses forward foreign currency contracts as its hedging instruments. Forward foreign currency contracts of the Group have been measured at fair value and the changes in fair value are recognised in profit or loss.

## 26 Material Litigation

There was no material litigation as at the date of this report.

## 27 Dividends

At the Annual General Meeting held on 30 November 2015, the shareholders have approved the first and final tax-exempt dividend of 10 (ten) sen per share amounting to RM4,999,750 in respect of the financial year ended 30 June 2015.

- a. Type of dividend : First and final  
b. Amount per share : 10 sen (tax-exempt)  
c. Previous corresponding period : 2 sen (tax-exempt)  
d. Total dividend for the financial year : 10 sen (tax-exempt)

The dividend will be paid on 8 January 2016 to shareholders whose names appear in the Register of Members and Record of Depository on 23 December 2015.

## 28 Earning per share

Basic earnings per ordinary share

	CURRENT YEAR 30.09.2015	PRECEDING 30.09.2014	CURRENT 30.09.2015	PRECEDING 30.09.2014
Net profit / (loss) for the period (RM'000)	3,481	393	3,481	393
Number of ordinary shares in issue ('000)	49,998	49,998	49,998	49,998
Basic earnings / (loss) per share (sen)	6.96	0.79	6.96	0.79

## 29 Realised and unrealised profits/losses disclosure

The retained profits as at 30 September 2015 is analysed as follows:-

	Current Quarter Ended 30.09.2015 RM'000	Preceding Year Ended 30.06.2015 RM'000
Total retained profits of the Company and the subsidiaries:		
- Realised	37,539	32,396
- Unrealised	(2,150)	(487)
	<hr/> 35,389	<hr/> 31,909
Add: Consolidated adjustments	(1,199)	(1,200)
Total group retained profits as per consolidated financial statements	<hr/> 34,190	<hr/> 30,709

BY ORDER OF THE BOARD

**Dato' Teo Wee Cheng**

Managing Director  
30 NOVEMBER 2015