



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 30.06.2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2016 RM'000	CURRENT YEAR TO DATE 30.06.2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.06.2016 RM'000
Revenue	28,955	21,111	113,423	111,828
Cost of Sales	(22,821)	(17,587)	(93,607)	(85,879)
Gross Profit	6,134	3,524	19,816	25,949
Other Operating Income	(279)	(372)	2,554	1,642
Operating Expenses	(4,068)	(1,961)	(15,316)	(14,321)
Net Gain/(Loss) on Financial Assets and Financial Liabilities at Fair Value	-	(138)	-	13
Profit/(Loss) From Operations	1,787	1,053	7,054	13,283
Finance Cost	(58)	(45)	(214)	(251)
Share of Profits of Associate Company	73	26	73	26
Profit/(Loss) Before Taxation	1,802	1,034	6,913	13,058
Taxation	(1,185)	(220)	(1,933)	(1,265)
Profit/(Loss) For The Period	617	814	4,980	11,793
Other Comprehensive Income/(Loss) For The Period				
Foreign Currency Translation	41	-	36	-
Total Comprehensive Income/(Loss) For The Period	658	814	5,016	11,793
Profit/(Loss) For The Period Attributable to:				
Owners of the parent	791	814	5,259	11,793
Non-controlling interest	(174)	-	(279)	-
	617	814	4,980	11,793
Total Comprehensive Income/(Loss) Attributable to:				
Owners of the parent	834	814	5,299	11,793
Non-controlling interest	(176)	-	(283)	-
	658	814	5,016	11,793
Earnings/(Loss) Per Share (sen):-				
(a) Basic (sen)	1.58	1.63	10.52	23.59
(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 2016)

**SHH RESOURCES HOLDINGS BERHAD**

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	AS AT CURRENT QUARTER ENDED 30.06.2017 RM'000	AS AT PRECEDING YEAR ENDED 30.06.2016 RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	40,357	40,175
Investment in an Associated Company	439	366
	<u>40,796</u>	<u>40,541</u>
Current Assets		
Inventories	31,890	19,100
Receivables	11,364	8,323
Tax Assets	1,563	799
Investment Management Fund	2,000	2,000
Derivatives Financial Instruments at Fair Value	-	13
Deposits, Cash and Bank Balances	20,861	33,973
	<u>67,678</u>	<u>64,208</u>
TOTAL ASSETS	<u>108,474</u>	<u>104,749</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share Capital	49,998	49,998
Foreign Exchange Reserve	40	-
Retained Profits	37,783	37,524
	<u>87,821</u>	<u>87,522</u>
Non-Controlling Interest	(180)	-
Total Equity	<u>87,641</u>	<u>87,522</u>
Non-current Liability		
Deferred Taxation	2,586	1,676
	<u>2,586</u>	<u>1,676</u>
Current Liabilities		
Payables	11,588	8,424
Borrowings	6,652	7,077
Tax Liabilities	7	50
	<u>18,247</u>	<u>15,551</u>
Total Liabilities	<u>20,833</u>	<u>17,227</u>
TOTAL EQUITY AND LIABILITIES	<u>108,474</u>	<u>104,749</u>
Net assets per share attributable to the owners of the parent (RM)	<u>1.76</u>	<u>1.75</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 June 2016)



SHH RESOURCES HOLDINGS BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

	CURRENT PERIOD TO DATE 30.06.2017 RM'000	PRECEDING PERIOD TO DATE 30.06.2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	6,913	13,058
Adjustments for:-		
Depreciation of property, plant and equipment	2,087	2,319
Distribution of investment management funds	(63)	(63)
Unrealised foreign exchange loss/(gain)	193	387
Net changes in fair value on derivative financial instruments	13	(344)
Interest expenses	214	251
Interest income	(624)	(732)
Property, plant and equipment written off	26	70
Loss/(gain) on disposal of property, plant and equipment	(74)	(27)
Share of associate company (profit)/loss	(73)	(26)
Operating Profit/(Loss) Before Changes In Working Capital	8,612	14,893
Changes In Working Capital		
Inventories	(12,829)	2,995
Receivables	(3,053)	4,301
Payables	3,333	(2,102)
Cash generated from / (used in) operations	(3,937)	20,087
Interest expenses	(214)	(251)
Interest income	624	732
Dividend paid	(5,000)	(5,000)
Tax paid	(1,830)	(1,638)
Tax refund	-	20
Net Cash Flows Generated From / (Used In) Operating Activities	(10,357)	13,950
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	246	27
Purchase of property, plant and equipment	(2,469)	(2,102)
Distribution received from investment management funds	63	63
Subscription of ordinary shares in a subsidiary company by non-controlling interest	103	-
Net Cash Flows Generated From / (Used In) Investing Activities	(2,057)	(2,012)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movements in short term borrowings	(569)	(1,742)
Repayment of hire purchase obligations	(18)	(200)
Net Cash Flows Generated From / (Used In) Financing Activities	(587)	(1,942)
Exchange gain / (loss) in translation of financial statements of foreign subsidiary	(36)	-
Net Change In Cash And Cash Equivalents	(13,037)	9,996
Effect of exchange rate changes	(75)	(104)
Cash And Cash Equivalents At Beginning Of Year	33,973	24,081
Cash And Cash Equivalents At End Of Period	20,861	33,973

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 30 June 2016)



SHH RESOURCES HOLDINGS BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

← Attributable to equity holders of the parent →

	Non-distributable		Distributable	Total	Non-Controlling Interest	Total Equity
	Share Capital	Foreign Exchange Reserve	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current Period To Date						
30.06.2017						
Balance At Beginning Of Year	49,998	-	37,524	87,522	-	87,522
Profit after tax for the period	-	-	5,259	5,259	(279)	4,980
Other comprehensive expense for the period						
- Foreign currency translation	-	40	-	40	(4)	36
Total Comprehensive Income For The Period	-	40	5,259	5,299	(283)	5,016
Dividends	-	-	(5,000)	(5,000)	-	(5,000)
Subscription of ordinary shares in a subsidiary company by non-controlling interest	-	-	-	-	103	103
Balance At End Of Period	49,998	40	37,783	87,821	(180)	87,641
Preceding Period To Date						
30.06.2016						
Balance At Beginning Of Year	49,998	-	30,709	80,707	-	80,707
Total Comprehensive Income For The Period	-	-	11,793	11,793	-	11,793
Dividends	-	-	(5,000)	(5,000)	-	(5,000)
Effect on changes in tax rate	-	-	22	22	-	22
Balance At End Of Period	49,998	-	37,524	87,522	-	87,522

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2016)



SHH RESOURCES HOLDINGS BERHAD

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER ENDED 30 JUNE 2017

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 2016. 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 2016.

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 2016 except for those standards, amendments and IC interpretations which are effective from the annual period beginning 1 July 2016 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

The proposed first and final tax exempt dividend of 10% in respect of the financial year ended 30 June 2016, was duly declared, approved and paid on 10 January 2017 to depositors registered in the Record of Depositors of the Company at the close of business on 27 December 2016.

9 Segmental reporting

The Group's primary business segment, including its overseas subsidiary is that of the manufacture and trading of wooden furniture. As such, segmental reporting is only presented by geographical segments. The Group's business segment operates principally in Malaysia and Australia. In presenting information on the basis of geographical segments, segment revenue, profit before taxation, assets and liabilities were based on the geographical location.

The segment information for the current year-to-date was as follows:

	Malaysia	Australia	Consolidated Adjustments & Eliminations	Total
	RM'000	RM'000	RM'000	RM'000
Sales to external customers	113,423	-	-	113,423
Profit/ (Loss) before taxation	7,844	(931)	-	6,913
Total assets	105,649	2,825	-	108,474
Total liabilities	17,408	3,425	-	20,833

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 material changes in the composition of the Group during the quarter under review, except for the following:

Reference is made to the announcement of the Company dated 28 February 2017 that the Company through its wholly own subsidiary, SHH Furniture Industries Sdn Bhd had completed a subscription of 70,000 new ordinary shares in Zillo & Co Pty Ltd ("Zillo") for a total cash consideration of Australian Dollar (AUD) 70,000. Following the subscription, Zillo is deemed a 70% owned subsidiary of the Company.

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 30.06.2017 RM'000	Current Year To Date 30.06.2017 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 was 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. He resigned as director of KSSB and MCSB on 27 January 2017</p>	1,436	6,302
<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 was a director of KSSB and MCSB. He has a 50% equity interest in Gerak Teras Sdn Bhd whom has a 51% shareholding in DHSB. He resigned as director of KSSB and MCSB on 27 January 2017</p>	117	999
<p>(c) Rental of premises</p> <p>Rental of office space by Nuswana 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 was a director of the Company and SHH Furniture. He resigned as director of the Company and SHH Furniture on 16 December 2016</p> <p>b) Ling Hee Keat is a director and major shareholder of NDSB.</p> <p>The rental of premises has ceased with effect from 1 January 2017</p>	-	28

15 Review of performance

	Individual Quarter			Cumulative Quarter		
	30.06.2017 RM'000	30.06.2016 RM'000	Variance %	30.06.2017 RM'000	30.06.2016 RM'000	Variance %
Revenue	28,955	21,111	37.16	113,423	111,828	1.43
Gross profit	6,134	3,524	74.06	19,816	25,949	(23.63)
Profit before interest and tax	1,860	1,079	72.38	7,127	13,309	(46.45)
Profit before taxation	1,802	1,034	74.27	6,913	13,058	(47.06)
Profit after taxation	617	814	(24.20)	4,980	11,793	(57.77)
Profit/(Loss) attributable to ordinary equity holders of the parent	791	814	(2.83)	5,259	11,793	(55.41)

For the current quarter under review, the Group's revenue has increased by 37.16% to RM28.96 million as compared to RM21.11 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. Correspondingly, the Group has recorded a higher gross profit of RM6.13 million in the current quarter as compared to a gross profit of RM3.52 million in the preceding year's corresponding quarter. The profit before tax of the Group also increased to RM1.80 million in the current quarter compared to a profit before tax of RM1.03 million in the preceding year's corresponding quarter. The increase in the profit before tax were mainly due to the higher revenue and the weakening of the Ringgit Malaysia against the US Dollar. The profit after tax of the Group decreased to RM0.617 million compared to RM0.814 million in the preceding year's corresponding quarter due to deferred tax charge of RM0.954 million.

For the twelve months period under review, the Group's revenue has increased by 1.43% to RM113.42 million as compared to the preceding year's corresponding period of RM111.83 million. The increase were mainly due to the weakening of the Ringgit Malaysia against the US Dollar. However, the Group has recorded a lower gross profit of RM19.82 million in the current twelve months period compared to RM25.95 million in the preceding year's corresponding period. The gross profit is lower due to the higher raw materials and labour costs and higher production of lower margin products. Correspondingly, the Group has also recorded a lower profit before tax of RM6.91 million in the current twelve months period compared to a profit before tax of RM13.06 million in the preceding year's corresponding period. The decrease in the profit before tax were mainly due to the increase in raw materials and labour costs, higher production of lower margin products and additional administrative cost of foreign subsidiary.

16 Comparison with preceding quarter's result

	Current Quarter	Preceding Quarter	Variance %
	30.06.2017 RM'000	31-03-2017 RM'000	
Revenue	28,955	32,184	(10.03)
Gross profit	6,134	6,469	(5.18)
Profit before interest and tax	1,860	1,967	(5.44)
Profit before taxation	1,802	1,912	(5.75)
Profit after taxation	617	1,634	(62.24)
Profit/(Loss) attributable to ordinary equity holders of the parent	791	1,739	(54.51)

The Group's revenue for the current quarter under review of RM28.96 million represents a decrease of 10.03% compared to RM32.18 million registered in the preceding quarter. The decrease were mainly due to the decrease in orders from customers and the strengthening of the Ringgit Malaysia against the US Dollar which resulted to lower Ringgit selling prices of our exports. Correspondingly, the Group has recorded a decrease in gross profit from RM6.50 million in the preceding quarter to RM6.13 million in the current quarter. The Group has also recorded a decrease in profit before tax of RM1.80 million in the current quarter compared to a profit before tax of RM1.91 million in the preceding quarter. The decrease in the profit before tax were mainly due to the decrease in revenue and the higher loss on foreign exchange in the current quarter. The profit after tax has decreased to RM0.617 million compared to RM1.63 million in the preceding quarter due to deferred tax charge of RM0.954 million.

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. While there are optimism in the US market with improvement in the labour and real wages, 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.

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	(112)	(624)
Distribution of investment management fund	(16)	(63)
Other income	(200)	(804)
Interest expense	58	214
Depreciation of property, plant and equipment	530	2,087
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Loss/(gain) on disposal of property, plant and equipment	(18)	(74)
Property, plant and equipment written off	8	26
Foreign exchange loss/(gain)		
- Realised	594	(989)
- Unrealised	(185)	193
Fair value loss/(gain) on derivative financial instruments		
- Unrealised	-	-

20 Taxation

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

	Current Quarter RM'000	Year To Date RM'000
Current		
- Malaysian taxation	330	1,078
- Deferred taxation	954	954
	<u>1,284</u>	<u>2,032</u>
Adjustment in respect of prior year		
- Malaysian taxation	(55)	(55)
- Deferred taxation	(44)	(44)
	<u>(99)</u>	<u>(99)</u>
Total	<u>1,185</u>	<u>1,933</u>

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

	Current Year Quarter ended 30.06.2017					
	Long term		Short term		Total borrowings	
	Foreign denomination RM'000	RM denomination RM'000	Foreign denomination RM'000	RM denomination RM'000	Foreign denomination RM'000	RM denomination RM'000
Secured						
Hire purchase	-	-	-	-	-	-
Bill payable	-	-	-	-	-	-
Unsecured						
Revolving loan	-	-	2,660	-	2,660	-
Bankers acceptance	-	-	-	3,992	-	3,992
Total	-	-	2,660	3,992	2,660	3,992
	Preceding Year Corresponding Quarter 30.06.2016					
	Long term		Short term		Total borrowings	
	Foreign denomination RM'000	RM denomination RM'000	Foreign denomination RM'000	RM denomination RM'000	Foreign denomination RM'000	RM denomination RM'000
Secured						
Hire purchase	-	-	-	18	-	18
Bill payable	-	-	1,002	-	1,002	-
Unsecured						
Revolving loan	-	-	2,499	-	2,499	-
Bankers acceptance	-	-	-	3,558	-	3,558
Total	-	-	3,501	3,576	3,501	3,576

24 Corporate proposals

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

25 Financial instruments

There are no derivative financial instruments as at the date of this quarterly report

26 Material Litigation

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

27 Dividends

For the financial year ended 30 June 2017, the Directors have recommended a single tier dividend of 5 (five) sen per share for shareholders' approval at the Company's forthcoming Annual General Meeting.

- a. Type of dividend : Single tier
b. Amount per share : 5 sen (single tier)
c. Previous corresponding period : 10 sen (tax-exempt)
d. Total dividend for the financial year : 5 sen (single tier)

The dividend entitlement and payment dates for the proposed dividend will be determined, and thereafter announced, at a later date.

28 Earning per share

Basic earnings per ordinary share

	CURRENT YEAR QUARTER 30.06.2017	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2016	CURRENT YEAR TO DATE 30.06.2017	PRECEDING YEAR CORRESPONDING PERIOD 30.06.2016
Net profit / (loss) for the period attributable to owners of the parent (RM'000)	791	814	5,259	11,793
Number of ordinary shares in issue ('000)	49,998	49,998	49,998	49,998
Basic earnings / (loss) per share (sen)	1.58	1.63	10.52	23.59

29 Realised and unrealised profits/losses disclosure

The retained profits as at 30 June 2017 is analysed as follows:-

	Current Quarter Ended 30.06.2017 RM'000	Preceding Year Ended 30.06.2016 RM'000
Total retained profits of the Company and the subsidiaries:		
- Realised	38,832	39,066
- Unrealised	(194)	(375)
	<hr/>	<hr/>
	38,638	38,691
Add: Consolidated adjustments	(855)	(1,167)
Total group retained profits as per consolidated financial statements	<hr/> 37,783	<hr/> 37,524

BY ORDER OF THE BOARD

Dato' Teo Wee Cheng
Managing Director
30 AUGUST 2017