



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 30.09.2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2016 RM'000	CURRENT YEAR TO DATE 30.09.2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.09.2016 RM'000
Revenue	32,527	23,867	32,527	23,867
Cost of Sales	(27,575)	(20,585)	(27,575)	(20,585)
Gross Profit	4,952	3,282	4,952	3,282
Other Operating Income	369	692	369	692
Operating Expenses	(4,435)	(3,071)	(4,435)	(3,071)
Net Gain/(Loss) on Financial Assets and Financial Liabilities at Fair Value	(3)	(7)	(3)	(7)
Profit/(Loss) From Operations	883	896	883	896
Finance Cost	(49)	(47)	(49)	(47)
Share of Profits of Associate Company	-	-	-	-
Profit/(Loss) Before Taxation	834	849	834	849
Taxation	(212)	(57)	(212)	(57)
Profit/(Loss) For The Period	622	792	622	792
Other Comprehensive Income/(Loss) For The Period				
Foreign Currency Translation	(32)	-	(32)	-
Total Comprehensive Income/(Loss) For The Period	590	792	590	792
Profit/(Loss) For The Period Attributable to:				
Owners of the parent	798	792	798	792
Non-controlling interest	(176)	-	(176)	-
	622	792	622	792
Total Comprehensive Income/(Loss) Attributable to:				
Owners of the parent	764	792	764	792
Non-controlling interest	(174)	-	(174)	-
	590	792	590	792
Earnings/(Loss) Per Share (sen):-				
(a) Basic (sen)	1.60	1.58	1.60	1.58
(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 2017)



SHH RESOURCES HOLDINGS BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	AS AT CURRENT QUARTER ENDED 30.09.2017 RM'000	AS AT PRECEDING YEAR ENDED 30.06.2017 RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	40,031	40,357
Investment in an Associated Company	439	439
	<u>40,470</u>	<u>40,796</u>
Current Assets		
Inventories	32,282	31,890
Receivables	14,992	11,364
Tax Assets	1,759	1,563
Investment Management Fund	2,000	2,000
Deposits, Cash and Bank Balances	19,837	20,861
	<u>70,870</u>	<u>67,678</u>
TOTAL ASSETS	<u>111,340</u>	<u>108,474</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share Capital	49,998	49,998
Foreign Exchange Reserve	6	40
Retained Profits	38,581	37,783
	<u>88,585</u>	<u>87,821</u>
Non-Controlling Interest	<u>(354)</u>	<u>(180)</u>
Total Equity	<u>88,231</u>	<u>87,641</u>
Non-current Liability		
Deferred Taxation	2,586	2,586
	<u>2,586</u>	<u>2,586</u>
Current Liabilities		
Payables	14,196	11,588
Borrowings	6,318	6,652
Derivatives Financial Instruments at Fair Value	3	-
Tax Liabilities	6	7
	<u>20,523</u>	<u>18,247</u>
Total Liabilities	<u>23,109</u>	<u>20,833</u>
TOTAL EQUITY AND LIABILITIES	<u>111,340</u>	<u>108,474</u>
Net assets per share attributable to the owners of the parent (RM)	<u>1.77</u>	<u>1.76</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 June 2017)

**SHH RESOURCES HOLDINGS BERHAD**

(Company No.: 304227-U)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

	CURRENT PERIOD TO DATE 30.09.2017 RM'000	PRECEDING PERIOD TO DATE 30.09.2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	834	849
Adjustments for:-		
Depreciation of property, plant and equipment	530	520
Distribution of investment management funds	(16)	(16)
Unrealised foreign exchange loss/(gain)	219	(133)
Net changes in fair value on derivative financial instruments	3	20
Interest expenses	49	47
Interest income	(88)	(197)
Property, plant and equipment written off	1	-
Loss/(gain) on disposal of property, plant and equipment	(13)	(56)
Operating Profit/(Loss) Before Changes In Working Capital	1,519	1,034
Changes In Working Capital		
Inventories	(408)	(227)
Receivables	(3,740)	(4,354)
Payables	2,557	2,700
Cash generated from / (used in) operations	(72)	(847)
Interest expenses	(49)	(47)
Interest income	88	197
Tax paid	(409)	(441)
Net Cash Flows Generated From / (Used In) Operating Activities	(442)	(1,138)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	13	57
Purchase of property, plant and equipment	(207)	(492)
Distribution received from investment management funds	16	16
Net Cash Flows Generated From / (Used In) Investing Activities	(178)	(419)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movements in short term borrowings	(290)	(496)
Repayment of hire purchase obligations	-	(18)
Net Cash Flows Generated From / (Used In) Financing Activities	(290)	(514)
Exchange gain / (loss) in translation of financial statements of foreign subsidiary	(39)	-
Net Change In Cash And Cash Equivalents	(949)	(2,071)
Effect of exchange rate changes	(75)	87
Cash And Cash Equivalents At Beginning Of Year	20,861	33,973
Cash And Cash Equivalents At End Of Period	19,837	31,989

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 30 June 2017)



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						
30.09.2017						
Balance At Beginning Of Year	49,998	40	37,783	87,821	(180)	87,641
Profit/ (Loss) after tax for the period	-	-	798	798	(176)	622
Other comprehensive income/ (expense) for the period						
- Foreign currency translation	-	(34)	-	(34)	2	(32)
Total Comprehensive Income/ (Loss) For The Period	-	(34)	798	764	(174)	590
Balance At End Of Period	49,998	6	38,581	88,585	(354)	88,231
Preceding Period To Date						
30.09.2016						
Balance At Beginning Of Year	49,998	-	37,524	87,522	-	87,522
Total Comprehensive Income For The Period	-	-	792	792	-	792
Balance At End Of Period	49,998	-	38,316	88,314	-	88,314

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2017)



SHH RESOURCES HOLDINGS BERHAD

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 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 2017. 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 2017.

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 2017 except for those standards, amendments and IC interpretations which are effective from the annual period beginning 1 July 2017 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 dividend paid during the current financial period to date.

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	32,419	108	-	32,527
Profit/ (Loss) before taxation	1,422	(588)	-	834
Total assets	111,767	3,395	(3,822)	111,340
Total liabilities	22,398	4,576	(3,865)	23,109

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 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 30.09.2017 RM'000	Current Year To Date 30.09.2017 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) Teo Bok Yu and Teo Jin Yuan are directors in Gerak Teras Sdn Bhd and DHSB. They have a 100% equity interest in Gerak Teras Sdn Bhd which has a 51% shareholding in DHSB.</p> <p>d) Both Teo Bok Yu and Teo Jin Yuan are the sons of Dato' Teo Wee Cheng and Datin Teo Chan Huat, the major shareholders and directors of the Company.</p>	1,937	1,937
<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) Teo Bok Yu and Teo Jin Yuan are directors in Gerak Teras Sdn Bhd and DHSB. They have a 100% equity interest in Gerak Teras Sdn Bhd which has a 51% shareholding in DHSB.</p> <p>d) Both Teo Bok Yu and Teo Jin Yuan are the sons of Dato' Teo Wee Cheng and Datin Teo Chan Huat, the major shareholders and directors of the Company.</p>	85	85

15 Review of performance

	Individual Quarter			Cumulative Quarter		
	30.09.2017 RM'000	30.09.2016 RM'000	Variance %	30.09.2017 RM'000	30.09.2016 RM'000	Variance %
Revenue	32,527	23,867	36.28	32,527	23,867	36.28
Gross profit	4,952	3,282	50.88	4,952	3,282	50.88
Profit before interest and tax	883	896	(1.45)	883	896	(1.45)
Profit before taxation	834	849	(1.77)	834	849	(1.77)
Profit after taxation	622	792	(21.46)	622	792	(21.46)
Profit/(Loss) attributable to ordinary equity holders of the parent	798	792	0.76	798	792	0.76

For the current quarter under review, the Group's revenue has increased by 36.28% to RM32.53 million as compared to RM23.87 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 RM4.95 million in the current quarter as compared to a gross profit of RM3.28 million in the preceding year's corresponding quarter. However, the profit before tax of the Group slightly reduced to RM0.83 million in the current quarter compared to a profit before tax of RM0.85 million in the preceding year's corresponding quarter. The decrease in the profit before tax were mainly due to the higher loss on foreign exchange and additional administrative cost of Australian subsidiary.

16 Comparison with preceding quarter's result

	Current Quarter	Preceding Quarter	Variance %
	30.09.2017 RM'000	30-06-2017 RM'000	
Revenue	32,527	28,955	12.34
Gross profit	4,952	6,134	(19.27)
Profit before interest and tax	883	1,860	(52.53)
Profit before taxation	834	1,802	(53.72)
Profit after taxation	622	617	0.81
Profit/(Loss) attributable to ordinary equity holders of the parent	798	791	0.88

The Group's revenue for the current quarter under review of RM32.53 million represents an increase of 12.34% compared to RM28.96 million registered in the preceding quarter. The increase were mainly due to the increase in orders from customers. However, the Group has recorded a decrease in gross profit from RM6.13 million in the preceding quarter to RM4.95 million in the current quarter. The Group has also recorded a decrease in profit before tax of RM0.83 million in the current quarter compared to a profit before tax of RM1.80 million in the preceding quarter. The decrease in the operational profits were mainly due to the higher raw material costs and the strenghtening of the Ringgit Malaysia against the US Dollar.

17 Prospects

The economic outlook in the USA, our main market is healthy with low unemployment rate. Tight labour market, improving household income and low mortgage rates have helped sustained the US housing recovery and bolstered spending on household furniture and finishing. 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 raw material 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	(88)	(88)
Distribution of investment management fund	(16)	(16)
Other income	(252)	(252)
Interest expense	49	49
Depreciation of property, plant and equipment	530	530
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Loss/(gain) on disposal of property, plant and equipment	(13)	(13)
Property, plant and equipment written off	1	1
Foreign exchange loss/(gain)		
- Realised	177	177
- Unrealised	219	219
Fair value loss/(gain) on derivative financial instruments		
- Unrealised	3	3

20 Taxation

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

	Current Quarter RM'000	Year To Date RM'000
Current		
- Malaysian taxation	212	212
- Deferred taxation	-	-
	<u>212</u>	<u>212</u>
Adjustment in respect of prior year		
- Malaysian taxation	-	-
- Deferred taxation	-	-
	<u>-</u>	<u>-</u>
Total	<u>212</u>	<u>212</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 30.09.2017					
	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	-	-	2,616	-	2,616	-
Bankers acceptance	-	-	-	3,702	-	3,702
Total	-	-	2,616	3,702	2,616	3,702
	Preceding Year Corresponding Quarter 30.09.2016					
	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	-	-	-	-	-	-
Bill payable	-	-	516	-	516	-
Unsecured						
Revolving loan	-	-	2,561	-	2,561	-
Bankers acceptance	-	-	-	3,558	-	3,558
Total	-	-	3,077	3,558	3,077	3,558

24 Corporate proposals

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

25 Financial instruments

Derivatives

As at 30 September 2017 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	841	844	(3)

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 28 November 2017, the shareholders have approved the first and final single tier tax-exempt dividend of 5 (five) sen per share amounting to RM2,499,875 in respect of the financial year ended 30 June 2017.

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

The dividend will be paid on 10 January 2018 to shareholders whose names appear in the Register of Members and Record of Depository on 27 December 2017.

28 Earning per share

Basic earnings per ordinary share

	CURRENT YEAR QUARTER 30.09.2017	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2016	CURRENT YEAR TO DATE 30.09.2017	PRECEDING YEAR CORRESPONDING PERIOD 30.09.2016
Net profit / (loss) for the period attributable to owners of the parent (RM'000)	798	792	798	792
Number of ordinary shares in issue ('000)	49,998	49,998	49,998	49,998
Basic earnings / (loss) per share (sen)	1.60	1.58	1.60	1.58

29 Realised and unrealised profits/losses disclosure

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

	Current Quarter Ended 30.09.2017 RM'000	Preceding Year Ended 30.06.2017 RM'000
Total retained profits of the Company and the subsidiaries:		
- Realised	39,658	38,832
- Unrealised	(222)	(194)
	<u>39,436</u>	<u>38,638</u>
Add: Consolidated adjustments	(855)	(855)
Total group retained profits as per consolidated financial statements	<u>38,581</u>	<u>37,783</u>

BY ORDER OF THE BOARD

Dato' Teo Wee Cheng
Managing Director
28 NOVEMBER 2017