

**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	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000
Revenue	12,994	18,802	104,120	97,273
Cost of Sales	(12,734)	(17,246)	(89,396)	(90,610)
Gross Profit/(Loss)	260	1,556	14,724	6,663
Other Operating Income	79	1,670	1,121	2,897
Operating Expenses	(4,706)	(4,855)	(18,571)	(18,388)
Net Gain/(Loss) on Financial Assets and Financial Liabilities at Fair Value	154	-	16	-
Profit/(Loss) From Operations	(4,213)	(1,629)	(2,710)	(8,828)
Finance Cost	(34)	(75)	(251)	(312)
Share of Profits of Associate Company	78	110	78	110
Profit/(Loss) Before Taxation	(4,169)	(1,594)	(2,883)	(9,030)
Taxation	(321)	(68)	(410)	(118)
Profit/(Loss) For The Period	(4,490)	(1,662)	(3,293)	(9,148)
Other Comprehensive Income/(Loss) For The Period				
Foreign Currency Translation	333	(76)	608	(64)
Total Comprehensive Income/(Loss) For The Period	(4,157)	(1,738)	(2,685)	(9,212)
Profit/(Loss) For The Period Attributable to:				
Owners of the parent	(4,489)	(1,229)	(2,674)	(7,987)
Non-controlling interest	(1)	(433)	(619)	(1,161)
	(4,490)	(1,662)	(3,293)	(9,148)
Total Comprehensive Income/(Loss) Attributable to:				
Owners of the parent	(4,156)	(1,300)	(2,292)	(8,088)
Non-controlling interest	(1)	(438)	(393)	(1,124)
	(4,157)	(1,738)	(2,685)	(9,212)
Earnings/(Loss) Per Share (sen):-				
(a) Basic (sen)	(8.98)	(2.46)	(5.35)	(15.97)
(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 2019)**

**SHH RESOURCES HOLDINGS BERHAD**

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**

	<b>AS AT CURRENT QUARTER ENDED 30.06.2020 RM'000</b>	<b>AS AT PRECEDING YEAR ENDED 30.06.2019 RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant and Equipment	37,284	39,408
Right of Use Assets	268	-
Investment in an Associated Company	711	654
	<u>38,263</u>	<u>40,062</u>
<b>Current Assets</b>		
Inventories	22,850	22,459
Inventories-property development cost	11,003	-
Receivables	8,986	12,525
Tax Assets	371	2,147
Derivatives Financial Instruments at Fair Value	16	-
Deposits, Cash and Bank Balances	14,499	12,368
	<u>57,725</u>	<u>49,499</u>
<b>TOTAL ASSETS</b>	<b><u>95,988</u></b>	<b><u>89,561</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share Capital	49,998	49,998
Foreign Exchange Reserve	-	(382)
Retained Profits	15,074	17,748
	<u>65,072</u>	<u>67,364</u>
<b>Non-Controlling Interest</b>	<u>97</u>	<u>(1,936)</u>
<b>Total Equity</b>	<b><u>65,169</u></b>	<b><u>65,428</u></b>
<b>Non-current Liabilities</b>		
Borrowings	6,241	-
Lease Liabilities	186	-
Deferred Taxation	1,055	810
	<u>7,482</u>	<u>810</u>
<b>Current Liabilities</b>		
Payables	17,413	15,261
Borrowings	5,818	8,041
Lease Liabilities	88	-
Tax Liabilities	18	21
	<u>23,337</u>	<u>23,323</u>
<b>Total Liabilities</b>	<b><u>30,819</u></b>	<b><u>24,133</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>95,988</u></b>	<b><u>89,561</u></b>
<b>Net assets per share attributable to the owners of the parent (RM)</b>	<b><u>1.30</u></b>	<b><u>1.35</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 2019)



# SHH RESOURCES HOLDINGS BERHAD

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

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

	CURRENT PERIOD TO DATE 30.06.2020 RM'000	PRECEDING PERIOD TO DATE 30.06.2019 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) Before Tax	(2,883)	(9,030)
Adjustments for:-		
Bad debt written off	238	14
Allowance for inventories obsolescence	-	145
Depreciation of property, plant and equipment	2,446	2,396
Depreciation of right of use assets	97	-
Expenses relating to short-term lease	6	-
Unrealised foreign exchange loss/(gain)	88	130
Net changes in fair value on derivative financial instruments	(16)	(21)
Interest expenses	251	312
Interest income	(191)	(261)
Loss on winding up of foreign subsidiary	2,438	-
Loss/(gain) on disposal of property, plant and equipment	(30)	(181)
Share of associate company (profit)/loss	(78)	(188)
Operating Profit/(Loss) Before Changes In Working Capital	2,366	(6,684)
Changes In Working Capital		
Inventories	(1,371)	965
Inventories-property development costs	(11,003)	-
Receivables	3,007	2,259
Payables	4,290	2,216
Cash generated from / (used in) operations	(2,711)	(1,244)
Interest expenses	(251)	(312)
Interest income	191	261
Tax paid	(241)	(357)
Tax refund	1,847	1
Short term lease payment	(6)	-
<b>Net Cash Flows Generated From / (Used In) Operating Activities</b>	(1,171)	(1,651)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	30	212
Purchase of property, plant and equipment	(561)	(2,236)
Net cash flow on winding up of subsidiary	(78)	-
<b>Net Cash Flows Generated From / (Used In) Investing Activities</b>	(609)	(2,024)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net movements in short term borrowings	(2,077)	17
Proceed from issuance of term loan	6,241	-
Fixed deposit pledged to bank	(737)	-
Repayment of lease liabilities	(91)	-
<b>Net Cash Flows Generated From / (Used In) Financing Activities</b>	3,336	17
Exchange gain / (loss) in translation of financial statements of foreign subsidiary	119	56
<b>Net Change In Cash And Cash Equivalents</b>	1,675	(3,602)
Effect of exchange rate changes	(101)	(12)
<b>Cash And Cash Equivalents At Beginning Of Year</b>	12,188	15,802
<b>Cash And Cash Equivalents At End Of Period</b>	13,762	12,188

( The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 30 June 2019)



# SHH RESOURCES HOLDINGS BERHAD

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

## 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
<b>Current Period To Date</b>						
<b>30.06.2020</b>						
<b>Balance At Beginning Of Year</b>	49,998	(382)	17,748	67,364	(1,936)	65,428
Profit/ (Loss) after tax for the period	-	-	(2,674)	(2,674)	(619)	(3,293)
Other comprehensive income/ (expense) for the period						
- Foreign currency translation	-	382	-	382	227	609
Total Comprehensive Income/ (Loss) For The Period	-	382	(2,674)	(2,292)	(392)	(2,684)
Effect of deconsolidation of a subsidiary company	-	-	-	-	2,425	2,425
<b>Balance At End Of Period</b>	49,998	-	15,074	65,072	97	65,169

## Preceding Period To Date

**30.06.2019**

<b>Balance At Beginning Of Year</b>	49,998	(281)	25,735	75,452	(812)	74,640
Profit/ (Loss) after tax for the period	-	-	(7,987)	(7,987)	(1,161)	(9,148)
Other comprehensive income/ (expense) for the period						
- Foreign currency translation	-	(101)	-	(101)	37	(64)
Total Comprehensive Income/ (Loss) For The Period	-	(101)	(7,987)	(8,088)	(1,124)	(9,212)
<b>Balance At End Of Period</b>	49,998	(382)	17,748	67,364	(1,936)	65,428

( The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2019)



# SHH RESOURCES HOLDINGS BERHAD

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

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER ENDED 30 JUNE 2020

### 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 2019. 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 2019.

### 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 2019 except for those standards, amendments and IC interpretations which are effective from the annual period beginning 1 July 2019 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 except as mentioned below:

#### MFRS 16: Leases

MFRS 16 has replaced MFRS 117: Leases, IC Interpretation 4: Determining whether an Arrangement contains a Lease, IC Interpretation 115: Operating Lease-Incentives and IC Interpretation 127: Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value items. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate of the Group. The Group does not restate the comparative information, which continues to be reported under MFRS 117.

#### Financial impact

The financial impact from the initial adoption of MFRS 16 as at 1 July 2019 are as follows:

<b>Consolidation Statement of Financial Position</b>	<b>As at 30-Jun-19 RM'000</b>	<b>Changes RM'000</b>	<b>As at 1-Jul-19 RM'000</b>
<b>Non-current Assets</b>			
Right of use assets	-	374	374
<b>Non-current Liabilities</b>			
Lease Liabilities	-	270	270
<b>Current Liabilities</b>			
Lease Liabilities	-	104	104

### 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	100,824	3,296	-	104,120
Inter-segment sales	64	-	(64)	-
Total Revenue	100,888	3,296	(64)	104,120
Profit/ (Loss) before taxation	(6,872)	(2,058)	6,047	(2,883)
Total assets	95,988	-	-	95,988
Total liabilities	30,819	-	-	30,819

#### 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

On 28 May 2020, the Company announced that SHH Furniture Industries Sdn Bhd ("SFI"), a wholly owned subsidiary of the Company, has obtained a winding up order from the Supreme Court of Victoria at Melbourne, Australia for winding up and liquidation of Zillo & Co. Pty Ltd ("Zillo"). Zillo is a 70% owned subsidiary of SFI since financial year 2017. Anthony Robert Cant and Renee Sarah Di Carlo from Romanis Cant have been appointed jointly and severally as Liquidators for the purpose of winding up of Zillo. Upon the liquidation of Zillo, the Company had recognised a loss of RM2.4 million, representing mainly the minority shareholders' share of deficit that were not be recoverable from the minority shareholder(s).

Save as disclosed above, there were no other 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 30.06.2020 RM'000	Current Year To Date 30.06.2020 RM'000
(a) Purchase of materials, furniture parts and provision of workmanship labour services  SHH Furniture Industries Sdn Bhd (SHH Furniture) purchases materials and furniture parts from Deseng Hardware (M) Sdn Bhd (DHSB).  DHSB also provides workmanship labour services to SHH Furniture	a) SHH Furniture is a wholly-owned subsidiary of the Company.  b) The Company has a 49% equity interest in DHSB.  c) Teo Bok Yu is the Chief Executive Officer of the Group.  d) 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.  e) 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.	664	5,675
(b) Purchase of materials, furniture parts and provision of workmanship labour services  KSSB purchases materials and furniture parts from DHSB.  DHSB also provides workmanship labour services to KSSB.	a) KSSB is a wholly-owned subsidiary of the Company.  b) The Company has a 49% equity interest in DHSB.  c) Teo Bok Yu is the Chief Executive Officer of the Group.  d) 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.  e) 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.	-	451

## 15 Review of performance

	Individual Quarter			Cumulative Quarter		
	30.06.2020 RM'000	30.06.2019 RM'000	Variance %	30.06.2020 RM'000	30.06.2019 RM'000	Variance %
Revenue	12,994	18,802	(30.89)	104,120	97,273	7.04
Gross profit/(loss)	260	1,556	(83.29)	14,724	6,663	More than 100
Profit/(Loss) before interest and tax	(4,135)	(1,519)	More than 100	(2,632)	(8,718)	(69.81)
Profit/(Loss) before taxation	(4,169)	(1,594)	More than 100	(2,883)	(9,030)	(68.07)
Profit/(Loss) after taxation	(4,490)	(1,662)	More than 100	(3,293)	(9,148)	(64.00)
Profit/(Loss) attributable to ordinary equity holders of the parent	(4,489)	(1,229)	265.26	(2,674)	(7,987)	(66.52)

For the current quarter under review, the Group's revenue has decreased by 30.89% to RM12.99 million as compared to RM18.80 million in the preceding year's corresponding quarter. The decrease was mainly due to the Movement Control Order (MCO) implemented from 18 March 2020 resulting to temporary shut down of business operation. The Group's orders were also affected during the current quarter under review due to cancellation of orders from our USA buyers who was also affected by the Covid-19 pandemic. Correspondingly, the Group has recorded a gross profit of RM0.26 million in the current quarter as compared to a gross profit of RM1.56 million in the preceding year's corresponding quarter. The Group recorded a loss before tax of RM4.17 million in the current quarter compared to a loss before tax of RM1.59 million in the preceding year's corresponding quarter. The higher loss before tax were mainly due to the lower gross profit in the current quarter and the loss on winding up of the foreign subsidiary amounting to RM2.4 million.

For the twelve months period under review, the Group's revenue has increased by 7.04% to RM104.12 million as compared to the preceding year's corresponding period of RM97.27 million. The increase were mainly due to the increase in orders from customers and the weakening of the Ringgit Malaysia against the US Dollar resulting in higher selling prices. Correspondingly, the Group has recorded a higher gross profit of RM14.72 million in the current twelve months period compared to RM6.66 million in the preceding year's corresponding period. The higher gross profit in the current period were also due to the lower material, direct labour and overhead cost incurred as a result of the efforts by the Group in controlling its manufacturing costs. The Group has recorded a loss before tax of RM2.88 million in the current period compared to a loss before tax of RM9.03 million in the preceding year's corresponding period. The lower loss before tax were mainly due to the higher gross profit achieved and the weakening of the Ringgit Malaysia against the US Dollar. During the year under review, the Group have also recognised the loss on winding up of the foreign subsidiary amounting to RM2.4 million.

## 16 Comparison with preceding quarter's result

	Current Quarter	Preceding Quarter	Variance %
	30.06.2020 RM'000	31-03-2020 RM'000	
Revenue	12,994	24,527	(47.02)
Gross profit/(loss)	260	3,507	(92.59)
Profit/(Loss) before interest and tax	(4,135)	(322)	More than 100
Profit/(Loss) before taxation	(4,169)	(374)	More than 100
Profit/(Loss) after taxation	(4,490)	(390)	More than 100
Profit/(Loss) attributable to ordinary equity holders of the parent	(4,489)	(183)	More than 100

The Group's revenue for the current quarter under review of RM12.99 million represents a decrease of 47.02% compared to RM24.53 million registered in the preceding quarter. The decrease were mainly due to lower orders received and the enforced shutdown resulting to reduction in production capacity during the Movement Control Order ("MCO") on 18 March 2020 to address Covid-19 pandemic. Correspondingly, The Group has recorded a lower gross profit of RM0.26 million compare to a gross profit of RM3.51 million in the preceding quarter. The Group has also recorded a loss before tax of RM4.17 million in the current quarter compared to loss before tax of RM0.37 million in the preceding quarter. The loss before tax were mainly due to the lower gross profit in the current quarter and the loss on winding up of foreign subsidiary.

## 17 Prospects

The Covid-19 pandemic has resulted in significant challenges and uncertainty to the global economy. The outlook of the US economy has also been affected by the Covid-19 pandemic and resulted to higher unemployment rate and lower consumers' confidence and spending. However, efforts by the US government to re-open back its economy from the Covid-19 pandemic has resulted to an increased in orders for furniture. Despite the positive development, going forward the Group expects the operating environment to remain challenging and competitive due to the Covid-19 pandemic, weak global sentiments, high production and labour costs.

## 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	(41)	(191)
Distribution of investment management fund	-	-
Other income	(166)	(900)
Interest expense	34	251
Depreciation of property, plant and equipment	604	2,445
Depreciation of right of use assets	22	97
Provision for and write off of receivables	238	238
Provision for and write off of inventories	-	-
Loss/(gain) on disposal of property, plant and equipment	-	(30)
Loss on winding up of foreign subsidiary	2,438	2,438
Property, plant and equipment written off	-	-
Expenses relating to short-term lease	6	6
Foreign exchange loss/(gain)		
- Realised	(35)	10
- Unrealised	261	88
Fair value loss/(gain) on derivative financial instruments		
- Unrealised	(154)	(16)

**20 Taxation**

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

	Current Quarter RM'000	Year To Date RM'000
Current		
- Malaysian taxation	54	143
- Deferred taxation	276	276
	<u>330</u>	<u>419</u>
Adjustment in respect of prior year		
- Malaysian taxation	22	22
- Deferred taxation	(31)	(31)
	<u>(9)</u>	<u>(9)</u>
Total	<u>321</u>	<u>410</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 30.06.2020					
	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
<b>Secured</b>						
Hire purchase	-	-	-	-	-	-
Bill payable	-	-	-	-	-	-
Bankers acceptance	-	-	-	-	-	-
Term Loan	-	6,241	-	-	-	6,241
<b>Unsecured</b>						
Revolving loan	-	-	995	-	995	-
Bankers acceptance	-	-	-	4,823	-	4,823
Overdraft	-	-	-	-	-	-
<b>Total</b>	-	6,241	995	4,823	995	11,064
	Preceding Year Corresponding Quarter 30.06.2019					
	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
<b>Secured</b>						
Hire purchase	-	-	-	-	-	-
Bill payable	-	-	-	-	-	-
Bankers acceptance	-	-	-	907	-	907
<b>Unsecured</b>						
Revolving loan	-	-	2,561	-	2,561	-
Bankers acceptance	-	-	-	4,393	-	4,393
Overdraft	-	-	-	180	-	180
<b>Total</b>	-	-	2,561	5,480	2,561	5,480

**24 Corporate proposals**

There were no corporate proposals announced and not completed as at to date except for the following:

Reference is made to the announcement of the Company dated 17 April 2018 that Rampai Pesona Sdn Bhd, an 80% owned subsidiary of SHH Furniture Industries Sdn Bhd, which in turn is a wholly owned subsidiary of SHH Resources Holdings Berhad had on 17 April 2018, entered into a Sale and Purchase Agreement with Rising Charm Sdn Bhd to acquire a piece of freehold land measuring a total of 2.0234 hectares held under Geran 50541, Lot 8836, Mukim Kajang, District of Ulu Langat, State of Selangor, for a total cash consideration of RM10,236,600. The first payment of RM2,559,150 had been paid in April 2018 and the second payment of RM1,535,490 had been completed in January 2019. The final payments of RM6,141,960 was fully settled by the release of a bank loan in April 2020 and hence the proposed acquisition has been completed.

**25 Financial instruments**Derivatives

As at 30 June 2020 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	650	634	16

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**

No dividend has been recommended for the financial period under review.

**28 Earning per share**

Basic earnings per ordinary share

	CURRENT YEAR QUARTER 30.06.2020	PRECEDING YEAR CORRESPON DING QUARTER 30.06.2019	CURRENT YEAR TO DATE 30.06.2020	PRECEDING YEAR CORRESPON DING PERIOD 30.06.2019
Net profit / (loss) for the period attributable to owners of the parent (RM'000)	(4,489)	(1,229)	(2,674)	(7,987)
Number of ordinary shares in issue ('000)	49,998	49,998	49,998	49,998
Basic earnings / (loss) per share (sen)	(8.98)	(2.46)	(5.35)	(15.97)

BY ORDER OF THE BOARD

**Dato' Teo Wee Cheng**

Managing Director

28 AUG 2020