



# 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
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
Revenue	34,558	36,342	64,750	66,599
Cost of Sales	(27,342)	(28,990)	(52,824)	(55,642)
Gross Profit/(Loss)	7,216	7,352	11,926	10,957
Other Operating Income	248	194	517	620
Operating Expenses	(3,812)	(5,195)	(7,579)	(9,752)
Net Gain/(Loss) on Financial Assets and Financial Liabilities at Fair Value	44	(1)	51	-
Profit/(Loss) From Operations	3,696	2,350	4,915	1,825
Finance Cost	(70)	(80)	(110)	(165)
Share of Profits of Associate Company	-	-	-	-
Profit/(Loss) Before Taxation	3,626	2,270	4,805	1,660
Taxation	(708)	(58)	(724)	(73)
Profit/(Loss) For The Period	2,918	2,212	4,081	1,587
Other Comprehensive Income/(Loss) For The Period				
Foreign Currency Translation	-	(84)	-	(26)
Total Comprehensive Income/(Loss) For The Period	2,918	2,128	4,081	1,561
Profit/(Loss) For The Period Attributable to:				
Owners of the parent	2,919	2,340	4,082	1,998
Non-controlling interest	(1)	(128)	(1)	(411)
	2,918	2,212	4,081	1,587
Total Comprehensive Income/(Loss) Attributable to:				
Owners of the parent	2,919	2,289	4,082	1,955
Non-controlling interest	(1)	(161)	(1)	(394)
	2,918	2,128	4,081	1,561
Earnings/(Loss) Per Share (sen):-				
(a) Basic (sen)	5.84	4.68	8.16	4.00
(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 2020)

**SHH RESOURCES HOLDINGS BERHAD**

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

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

	AS AT CURRENT QUARTER ENDED 31.12.2020 RM'000	AS AT PRECEDING YEAR ENDED 30.06.2020 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant and Equipment	36,349	37,284
Right of Use Assets	222	268
Investment in an Associated Company	711	711
	<u>37,282</u>	<u>38,263</u>
<b>Current Assets</b>		
Inventories	29,750	22,850
Inventories-property development cost	11,641	11,003
Receivables	10,102	8,986
Tax Assets	140	371
Derivatives Financial Instruments at Fair Value	51	16
Deposits, Cash and Bank Balances	14,699	14,499
	<u>66,383</u>	<u>57,725</u>
<b>TOTAL ASSETS</b>	<b><u>103,665</u></b>	<b><u>95,988</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share Capital	49,998	49,998
Retained Profits	19,156	15,074
	<u>69,154</u>	<u>65,072</u>
<b>Non-Controlling Interest</b>	<u>96</u>	<u>97</u>
<b>Total Equity</b>	<u>69,250</u>	<u>65,169</u>
<b>Non-current Liabilities</b>		
Borrowings	6,241	6,241
Lease Liabilities	140	186
Deferred Taxation	1,055	1,055
	<u>7,436</u>	<u>7,482</u>
<b>Current Liabilities</b>		
Payables	20,639	17,413
Borrowings	5,860	5,818
Lease Liabilities	91	88
Tax Liabilities	389	18
	<u>26,979</u>	<u>23,337</u>
<b>Total Liabilities</b>	<u>34,415</u>	<u>30,819</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>103,665</u></b>	<b><u>95,988</u></b>
<b>Net assets per share attributable to the owners of the parent (RM)</b>	<b><u>1.38</u></b>	<b><u>1.30</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 2020)

**SHH RESOURCES HOLDINGS BERHAD**(Company No.: 304227-U)  
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)**

	<b>CURRENT PERIOD TO DATE 31.12.2020 RM'000</b>	<b>PRECEDING PERIOD TO DATE 31.12.2019 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) Before Tax	4,805	1,660
Adjustments for:-		
Allowance for doubtful debt	-	(14)
Depreciation of property, plant and equipment	1,223	1,241
Depreciation of right of use assets	45	51
Expenses relating to short-term lease	2	-
Unrealised foreign exchange loss/(gain)	125	211
Net changes in fair value on derivative financial instruments	(35)	-
Interest expenses	110	165
Interest income	(44)	(99)
Loss/(gain) on disposal of property, plant and equipment	(21)	(14)
Operating Profit/(Loss) Before Changes In Working Capital	6,210	3,201
Changes In Working Capital		
Inventories	(6,900)	654
Inventories-property development costs	(638)	-
Receivables	(1,230)	(6,322)
Payables	3,235	3,790
Cash generated from / (used in) operations	677	1,323
Interest expenses	(110)	(165)
Interest income	44	99
Tax paid	(122)	(132)
Tax refund	-	1,847
Short term lease payment	(2)	-
<b>Net Cash Flows Generated From / (Used In) Operating Activities</b>	<b>487</b>	<b>2,972</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	21	14
Purchase of property, plant and equipment	(288)	(195)
<b>Net Cash Flows Generated From / (Used In) Investing Activities</b>	<b>(267)</b>	<b>(181)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net movements in short term borrowings	43	(1,696)
Repayment of lease liabilities	(44)	(47)
<b>Net Cash Flows Generated From / (Used In) Financing Activities</b>	<b>(1)</b>	<b>(1,743)</b>
Exchange gain / (loss) in translation of financial statements of foreign subsidiary	-	(12)
<b>Net Change In Cash And Cash Equivalents</b>	<b>219</b>	<b>1,036</b>
Effect of exchange rate changes	(19)	(23)
<b>Cash And Cash Equivalents At Beginning Of Year</b>	<b>13,762</b>	<b>12,188</b>
<b>Cash And Cash Equivalents At End Of Period</b>	<b>13,962</b>	<b>13,201</b>

( The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 30 June 2020)



# 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>31.12.2020</b>						
<b>Balance At Beginning Of Year</b>	49,998	-	15,074	65,072	97	65,169
Total Comprehensive Income/ (Loss) For The Period	-	-	4,082	4,082	(1)	4,081
<b>Balance At End Of Period</b>	49,998	-	19,156	69,154	96	69,250

## Preceding Period To Date

**31.12.2019**

<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	-	-	1,998	1,998	(411)	1,587
Other comprehensive income/ (expense) for the period						
- Foreign currency translation	-	(43)	-	(43)	17	(26)
Total Comprehensive Income/ (Loss) For The Period	-	(43)	1,998	1,955	(394)	1,561
<b>Balance At End Of Period</b>	49,998	(425)	19,746	69,319	(2,330)	66,989

( The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2020)



# SHH RESOURCES HOLDINGS BERHAD

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

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER ENDED 31 DECEMBER 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 2020. 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 2020.

### 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 2020 except for those standards, amendments and IC interpretations which are effective from the annual period beginning 1 July 2020 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 is that of the manufacturing and trading of wooden furniture and property development in Malaysia. As such, segmental reporting is only presented by business segments. In presenting information on the basis of business segments, segment revenue, profit before taxation, assets and liabilities were based on operating segment.

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

	Manufacturing of Furniture RM'000	Property Development RM'000	Consolidated Adjustments & Eliminations RM'000	Total RM'000
Sales to external customers	64,750	-	-	64,750
Inter-segment sales	-	-	-	-
Total Revenue	64,750	-	-	64,750
Profit/ (Loss) before taxation	4,806	(5)	4	4,805
Total assets	105,577	12,492	(14,403)	103,666
Total liabilities	37,066	12,009	(14,660)	34,415

### 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. The affairs and conduct of Zillo are now placed under the control of the Liquidator who will manage the entire process of liquidation. The Group has deconsolidated Zillo and fully recognised the loss on deconsolidation in the previous financial year.

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 31.12.2020 RM'000	Current Year To Date 31.12.2020 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 is the Chief Executive Officer of the Group.</p> <p>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.</p> <p>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.</p>	1,907	3,755
<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 is the Chief Executive Officer of the Group.</p> <p>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.</p> <p>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.</p>	34	50

#### 15 Review of performance

	Individual Quarter			Cumulative Quarter		
	31.12.2020 RM'000	31.12.2019 RM'000	Variance %	31.12.2020 RM'000	31.12.2019 RM'000	Variance %
Revenue	34,558	36,342	(4.91)	64,750	66,599	(2.78)
Gross profit(loss)	7,216	7,352	(1.85)	11,926	10,957	8.84
Profit(Loss) before interest and tax	3,696	2,350	57.28	4,915	1,825	169.32
Profit(Loss) before taxation	3,626	2,270	59.74	4,805	1,660	189.46
Profit(Loss) after taxation	2,918	2,212	31.92	4,081	1,587	157.15
Profit(Loss) attributable to ordinary equity holders of the parent	2,919	2,340	24.74	4,082	1,998	104.30

For the current quarter under review, the Group's revenue has decreased by 4.91% to RM34.56 million as compared to RM36.34 million in the preceding year's corresponding quarter. The decrease was mainly due to the decrease in shipments as a result of the shortage of containers situation worldwide resulting to completed orders were not able to ship out to customer. The lower turnover during the quarter under review was also due to the strengthening of the Ringgit Malaysia against the US Dollar resulting in lower selling prices. As a result of lower revenue, the Group has recorded a lower gross profit of RM7.22 million in the current quarter as compared to a gross profit of RM7.35 million in the preceding year's corresponding quarter. Despite the lower gross profit, the Group recorded a higher profit before tax of RM3.63 million in the current quarter compared to a profit before tax of RM2.27 million in the preceding year's corresponding quarter. The higher profit before tax were mainly due to the lower administrative expenses incurred due to the winding up of the Australian subsidiary.

For the six months period under review, the Group's revenue has decreased by 2.78% to RM64.75 million as compared to the preceding year's corresponding period of RM66.60 million. The decrease were mainly due to the decrease shipments as a result of the shortage of containers situation worldwide resulting to completed orders were not able to ship out to customer. Despite the lower revenue, the Group has recorded a higher gross profit of RM11.93 million in the current six months period compared to RM10.96 million in the preceding year's corresponding period. The higher gross profit in the current period were mainly due to the lower material consumption incurred as a result of the efforts by the Group in controlling its manufacturing costs. The Group has recorded a profit before tax of RM4.81 million in the current period compared to a profit before tax of RM1.66 million in the preceding year's corresponding period. The higher profit before tax were mainly due to the higher gross profit achieved and the lower administrative expenses incurred due to the winding up of the Australian subsidiary.

## 16 Comparison with preceding quarter's result

	Current Quarter	Preceding Quarter	Variance %
	31.12.2020 RM'000	30-09-2020 RM'000	
Revenue	34,558	30,192	14.46
Gross profit/(loss)	7,216	4,710	53.21
Profit/(Loss) before interest and tax	3,696	1,219	203.20
Profit/(Loss) before taxation	3,626	1,179	207.55
Profit/(Loss) after taxation	2,918	1,163	150.90
Profit/(Loss) attributable to ordinary equity holders of the parent	2,919	1,163	150.99

The Group's revenue for the current quarter under review of RM34.56 million represents an increase of 14.46% compared to RM30.19 million registered in the preceding quarter. The increase were mainly due to the increase in orders received for the current quarter under review. Correspondingly, the Group has recorded a higher gross profit of RM7.22 million compare to a gross profit of RM4.71 million in the preceding quarter. The higher gross profit in the current period were also due to the lower material consumption and direct labour incurred as a result of the efforts by the Group in controlling its manufacturing costs. The Group has also recorded a profit before tax of RM3.63 million in the current quarter compared to profit before tax of RM1.18 million in the preceding quarter. The higher profit before tax were mainly due to the higher gross profit achieved in current quarter.

## 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, the order of furniture are still strong due to spike in demand for home furniture in the US market. 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, higher raw material 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	(19)	(44)
Other income	(228)	(451)
Interest expense	70	110
Depreciation of property, plant and equipment	613	1,222
Depreciation of right of use assets	23	46
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Loss/(gain) on disposal of property, plant and equipment	-	(21)
Property, plant and equipment written off	-	-
Expenses relating to short-term lease	1	2
Foreign exchange loss/(gain)		
- Realised	272	674
- Unrealised	119	126
Fair value loss/(gain) on derivative financial instruments		
- Unrealised	(44)	(51)

## 20 Taxation

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

	Current Quarter RM'000	Year To Date RM'000
Current		
- Malaysian taxation	708	724
- Deferred taxation	-	-
	<u>708</u>	<u>724</u>
Adjustment in respect of prior year		
- Malaysian taxation	-	-
- Deferred taxation	-	-
	<u>-</u>	<u>-</u>
Total	<u>708</u>	<u>724</u>

The effective tax rate for the Group is lower than the statutory tax rate mainly due to the utilisation of business loss brought forward.

## 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 31.12.2020					
	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	-	-	-	-	-	-
Bankers acceptance	-	-	-	5,860	-	5,860
Overdraft	-	-	-	-	-	-
<b>Total</b>	-	6,241	-	5,860	-	12,101
	Preceding Year Corresponding Quarter 31.12.2019					
	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	-	-	-	580	-	580
<b>Unsecured</b>						
Revolving loan	-	-	1,902	-	1,902	-
Bankers acceptance	-	-	-	3,669	-	3,669
Overdraft	-	-	-	176	-	176
<b>Total</b>	-	-	1,902	4,425	1,902	4,425

**24 Corporate proposals**

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

**25 Financial instruments**
Derivatives

As at 31 December 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	4,547	4,496	51

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 31.12.2020	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2019	CURRENT YEAR TO DATE 31.12.2020	PRECEDING YEAR CORRESPONDING PERIOD 31.12.2019
Net profit / (loss) for the period attributable to owners of the parent (RM'000)	2,919	2,340	4,082	1,998
Number of ordinary shares in issue ('000)	49,998	49,998	49,998	49,998
Basic earnings / (loss) per share (sen)	5.84	4.68	8.16	4.00

BY ORDER OF THE BOARD

**Dato' Teo Wee Cheng**  
Managing Director  
24 FEB 2021