



SHH RESOURCES HOLDINGS BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 3 MONTHS PERIOD ENDED 30TH SEPTEMBER 2021 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Revenue	8,446	30,192	8,446	30,192
Cost of Sales	(8,246)	(25,482)	(8,246)	(25,482)
Gross Profit/(Loss)	200	4,710	200	4,710
Other Operating Income	66	269	66	269
Operating Expenses	(1,478)	(3,767)	(1,478)	(3,767)
Net Gain/(Loss) on Financial Assets and Financial Liabilities at Fair Value	-	7	-	7
Profit/(Loss) From Operations	(1,212)	1,219	(1,212)	1,219
Finance Cost	(135)	(40)	(135)	(40)
Share of Profits/ (Loss) of Associate Company	-	-	-	-
Profit/(Loss) Before Taxation	(1,347)	1,179	(1,347)	1,179
Taxation	(16)	(16)	(16)	(16)
Profit/(Loss) For The Period	(1,363)	1,163	(1,363)	1,163
Other Comprehensive Income/(Loss) For The Period				
Foreign Currency Translation	-	-	-	-
Total Comprehensive Income/(Loss) For The Period	(1,363)	1,163	(1,363)	1,163
Profit/(Loss) For The Period Attributable to:				
Owners of the parent	(1,345)	1,163	(1,345)	1,163
Non-controlling interest	(18)	-	(18)	-
	(1,363)	1,163	(1,363)	1,163
Total Comprehensive Income/(Loss) Attributable to:				
Owners of the parent	(1,345)	1,163	(1,345)	1,163
Non-controlling interest	(18)	-	(18)	-
	(1,363)	1,163	(1,363)	1,163
Earnings/(Loss) Per Share (sen):-				
(a) Basic (sen)	(1.35)	1.16 *	(1.35)	1.16 *
(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 2021)

* For comparative purpose, the Earnings/(Loss) Per Share for the quarter and year to date ended 30 September 2020 has been adjusted to reflect the bonus issue of 1 bonus share for every 1 existing ordinary share which was completed on 14 June 2021.

**SHH RESOURCES HOLDINGS BERHAD**

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	AS AT CURRENT QUARTER ENDED 30.09.2021 RM'000	AS AT PRECEDING YEAR ENDED 30.06.2021 RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	35,258	35,703
Right of Use Assets	219	177
Investment in an Associated Company	505	505
	<u>35,982</u>	<u>36,385</u>
Current Assets		
Inventories	26,586	29,091
Inventories-property development cost	11,971	11,971
Receivables	3,812	4,640
Tax Assets	782	542
Deposits, Cash and Bank Balances	17,199	15,532
	<u>60,350</u>	<u>61,776</u>
TOTAL ASSETS	<u>96,332</u>	<u>98,161</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share Capital	49,998	49,998
Retained Profits	17,697	19,042
	<u>67,695</u>	<u>69,040</u>
Non-Controlling Interest	<u>80</u>	<u>98</u>
Total Equity	<u>67,775</u>	<u>69,138</u>
Non-current Liabilities		
Borrowings	5,821	6,117
Lease Liabilities	129	93
Deferred Taxation	1,470	1,470
	<u>7,420</u>	<u>7,680</u>
Current Liabilities		
Payables	14,206	16,306
Borrowings	6,807	4,920
Lease Liabilities	97	93
Tax Liabilities	27	24
	<u>21,137</u>	<u>21,343</u>
Total Liabilities	<u>28,557</u>	<u>29,023</u>
TOTAL EQUITY AND LIABILITIES	<u>96,332</u>	<u>98,161</u>
Net assets per share attributable to the owners of the parent (RM)	<u>0.68</u>	<u>0.69</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 June 2021)

**SHH RESOURCES HOLDINGS BERHAD**

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE 3 MONTHS PERIOD ENDED 30TH SEPTEMBER 2021 (UNAUDITED)**

	CURRENT PERIOD TO DATE 30.09.2021 RM'000	PRECEDING PERIOD TO DATE 30.09.2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	(1,347)	1,179
Adjustments for:-		
Depreciation of property, plant and equipment	585	609
Depreciation of right of use assets	24	23
Expenses relating to short-term lease	-	1
Unrealised foreign exchange loss/(gain)	(65)	7
Net changes in fair value on derivative financial instruments	-	10
Interest expenses	135	40
Interest income	(24)	(25)
Gain on derecognition of right of use assets	(3)	
Loss/(gain) on disposal of property, plant and equipment	(8)	(21)
Operating Profit/(Loss) Before Changes In Working Capital	(703)	1,823
Changes In Working Capital		
Inventories	2,505	(3,432)
Inventories-property development costs	-	(540)
Receivables	852	(1,590)
Payables	(2,108)	4,495
Cash generated from / (used in) operations	546	756
Interest expenses	(135)	(40)
Interest income	24	25
Tax paid	(253)	(71)
Short term lease payment	-	(1)
Net Cash Flows Generated From / (Used In) Operating Activities	182	669
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	8	21
Purchase of property, plant and equipment	(140)	(208)
Net Cash Flows Generated From / (Used In) Investing Activities	(132)	(187)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movements in short term borrowings	1,591	1,061
Repayment of lease liabilities	(23)	(22)
Net Cash Flows Generated From / (Used In) Financing Activities	1,568	1,039
Net Change In Cash And Cash Equivalents	1,618	1,521
Effect of exchange rate changes	49	(6)
Cash And Cash Equivalents At Beginning Of Year	14,775	13,762
Cash And Cash Equivalents At End Of Period (Note 26)	16,442	15,277

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 30 June 2021)

**SHH RESOURCES HOLDINGS BERHAD**(Company No.: 304227-U)
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 3 MONTHS PERIOD ENDED 30TH SEPTEMBER 2021 (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						
30.09.2021						
Balance At Beginning Of Year	49,998	-	19,042	69,040	98	69,138
Total Comprehensive Income/ (Loss) For The Period	-	-	(1,345)	(1,345)	(18)	(1,363)
Balance At End Of Period	49,998	-	17,697	67,695	80	67,775
Preceding Period To Date						
30.09.2020						
Balance At Beginning Of Year	49,998	-	15,074	65,072	97	65,169
Total Comprehensive Income/ (Loss) For The Period	-	-	1,163	1,163	-	1,163
Balance At End Of Period	49,998	-	16,237	66,235	97	66,332

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2021)



SHH RESOURCES HOLDINGS BERHAD

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2021

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 2021. 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 2021.

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 2021 except for those standards, amendments and IC interpretations which are effective from the annual period beginning 1 July 2021 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, except for the following:

The Group's manufacturing operations were affected when the Government announced the imposition of Full Movement Control Order ("FMCO") from 1 June 2021 to curb the spread of Covid-19. The Group's manufacturing operations were subsequently allowed to operate in mid September 2021 after most of our employees were fully vaccinated under the National Recovery Plan.

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	8,446	-	-	8,446
Inter-segment sales	-	-	-	-
Total Revenue	8,446	-	-	8,446
Profit/ (Loss) before taxation	(1,260)	(91)	4	(1,347)
Total assets	98,375	12,850	(14,893)	96,332
Total liabilities	30,949	12,448	(14,840)	28,557

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 30.09.2021 RM'000	Current Year To Date 30.09.2021 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>	314	314
<p>(b) Purchase of materials, furniture parts and provision of workmanship labour services</p> <p>Kurnia Sejati Sdn Bhd (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>	28	28

15 Review of performance

	Individual Quarter			Cumulative Quarter		
	30.09.2021 RM'000	30.09.2020 RM'000	Variance %	30.09.2021 RM'000	30.09.2020 RM'000	Variance %
Revenue	8,446	30,192	(72.03)	8,446	30,192	(72.03)
Gross profit/(loss)	200	4,710	(95.75)	200	4,710	(95.75)
Profit/(Loss) before interest and tax	(1,212)	1,219	(199.43)	(1,212)	1,219	(199.43)
Profit/(Loss) before taxation	(1,347)	1,179	(214.25)	(1,347)	1,179	(214.25)
Profit/(Loss) after taxation	(1,363)	1,163	(217.20)	(1,363)	1,163	(217.20)
Profit/(Loss) attributable to ordinary equity holders of the parent	(1,345)	1,163	(215.65)	(1,345)	1,163	(215.65)

For the current quarter under review, the Group's revenue has decreased by 72.03% to RM8.45 million as compared to RM30.19 million in the preceding year's corresponding quarter. The decrease were mainly due to the temporary stoppage of operation due to the implementation of FMCO on 1 June 2021 had caused the manufacturing operations of the Group to be halted for 3 1/2 months. The Group's operations subsequently recommenced in mid September 2021 after most of our employees were fully vaccinated. Correspondingly, the Group has recorded a lower gross profit of RM0.20 million in the current quarter as compared to a gross profit of RM4.71 million in the preceding year's corresponding quarter. As a result of lower gross profit, the Group has also recorded a loss before tax of RM1.35 million in the current quarter compared to a profit before tax of RM1.18 million in the preceding year's corresponding quarter.

16 Comparison with preceding quarter's result

	Current Quarter	Preceding Quarter	Variance %
	30.09.2021 RM'000	30-6-2021 RM'000	
Revenue	8,446	18,966	(55.47)
Gross profit/(loss)	200	1,736	(88.48)
Profit/(Loss) before interest and tax	(1,212)	(1,012)	19.76
Profit/(Loss) before taxation	(1,347)	(1,058)	27.32
Profit/(Loss) after taxation	(1,363)	(1,328)	2.64
Profit/(Loss) attributable to ordinary equity holders of the parent	(1,345)	(1,330)	1.13

The Group's revenue for the current quarter under review of RM8.45 million represents a decrease of 55.47% compared to RM18.97 million registered in the preceding quarter. The decrease were mainly due to the temporary stoppage of operation due to the implementation of FMCO on 1 June 2021 had cause the manufacturing operations of the Group to be halted for 3 1/2 months. The Group's operations subsequently recommenced in mid September 2021 after most of our employees were fully vaccinated. Correspondingly, the Group has recorded a lower gross profit of RM0.20 million compared to a gross profit of RM1.74 million in the preceding quarter. As a result of the lower gross profit, the Group has also recorded a loss before tax of RM1.35 million in the current quarter compared to loss before tax of RM1.06 million in the preceding quarter.

17 Prospects

The global economy recovery is underway with increased vaccinations and with lockdowns been lifted in many countries. In the USA, the recovery stimulus and work at home movements have given rise to stronger demand for home furniture. The recent moderation of the USA economy notwithstanding, low interest rates, continued easy fiscal policies and demand for more living space will boost demand for housing and household furniture. While Malaysia is progressing well on vaccinating its population, the Covid-19 pandemic has given rise to shortage of labour and higher raw material costs. The Covid-19 pandemic has also caused disruptions in international trade and global logistic with trade imbalances and dislocation of shipping containers worldwide resulting in shortages of shipping containers and soaring shipment costs.

Given the uncertainties and challenges ahead, our priorities are on balancing the safety and welfare of our employees while mitigating operational costs and constraints to ensure our business viability. We are working closely with all stakeholders in ensuring stability in our supply chain, continuity of our manufacturing operations and re-scheduling shipment of orders to our customers so that the interest of all stakeholders are safeguarded.

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	(24)	(24)
Other income	(15)	(15)
Interest expense	135	135
Depreciation of property, plant and equipment	585	585
Depreciation of right of use assets	24	24
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Loss/(gain) on disposal of property, plant and equipment	(8)	(8)
Property, plant and equipment written off	-	-
Expenses relating to short-term lease	-	-
Foreign exchange loss/(gain)		
- Realised	17	17
- Unrealised	(19)	(19)
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	16	16
- Deferred taxation	-	-
	<u>16</u>	<u>16</u>
Adjustment in respect of prior year		
- Malaysian taxation	-	-
- Deferred taxation	-	-
	<u>-</u>	<u>-</u>
Total	<u>16</u>	<u>16</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 30.09.2021					
	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	-	-	-	-	-	-
Bankers acceptance	-	-	-	-	-	-
Term Loan	-	5,821	-	547	-	6,368
Unsecured						
Revolving loan	-	-	-	-	-	-
Bankers acceptance	-	-	-	6,260	-	6,260
Overdraft	-	-	-	-	-	-
Total	-	5,821	-	6,807	-	12,628
	Preceding Year Corresponding Quarter 30.09.2020					
	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
Secured						
Hire purchase	-	-	-	-	-	-
Bill payable	-	-	-	-	-	-
Bankers acceptance	-	-	-	-	-	-
Term Loan	-	6,241	-	-	-	6,241
Unsecured						
Revolving loan	-	-	481	-	481	-
Bankers acceptance	-	-	-	6,381	-	6,381
Overdraft	-	-	-	-	-	-
Total	-	6,241	481	6,381	481	12,622

24 Corporate proposals

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

25 Financial instruments

There were no derivative financial instruments as at end of the reporting period.

26 Cash and cash equivalents

	Current period to date 30.09.2021 RM'000	Preceding period to date 30.09.2020 RM'000
Represented by:		
Deposits, cash and bank balances	17,199	16,014
Less:		
Deposits pledged to bank	(757)	(737)
	16,442	15,277

27 Material Litigation

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

28 Dividends

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

29 Earning per share

Basic earnings per ordinary share

	CURRENT YEAR QUARTER 30.09.2021	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2020	CURRENT YEAR TO DATE 30.09.2021	PRECEDING YEAR CORRESPONDING PERIOD 30.09.2020
Net profit / (loss) for the period attributable to owners of the parent (RM'000)	(1,345)	1,163	(1,345)	1,163
Number of ordinary shares in issue ('000)	99,995	99,995	99,995	99,995
Basic earnings / (loss) per share (sen)	(1.35)	* 1.16	(1.35)	* 1.16

* For comparative purpose, the Earnings/(Loss) Per Share for the quarter and year to date ended 30 September 2020 has been adjusted to reflect the bonus issue of 1 bonus share for every 1 existing ordinary share which was completed on 14 June 2021.

BY ORDER OF THE BOARD

Dato' Teo Wee Cheng
Managing Director
25 NOVEMBER 2021