


SHH RESOURCES HOLDINGS BERHAD

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE 6 MONTHS PERIOD ENDED 31ST DECEMBER 2021 (UNAUDITED)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Revenue	24,558	34,558	33,004	64,750
Cost of Sales	(20,008)	(27,342)	(28,254)	(52,824)
Gross Profit/(Loss)	4,550	7,216	4,750	11,926
Other Operating Income	268	248	334	517
Operating Expenses	(3,271)	(3,812)	(4,749)	(7,579)
Net Gain/(Loss) on Financial Assets and Financial Liabilities at Fair Value	-	44	-	51
Profit/(Loss) From Operations	1,547	3,696	335	4,915
Finance Cost	(148)	(70)	(283)	(110)
Share of Profits/ (Loss) of Associate Company	-	-	-	-
Profit/(Loss) Before Taxation	1,399	3,626	52	4,805
Taxation	(17)	(708)	(33)	(724)
Profit/(Loss) For The Period	1,382	2,918	19	4,081
Other Comprehensive Income/(Loss) For The Period				
Foreign Currency Translation	-	-	-	-
Total Comprehensive Income/(Loss) For The Period	1,382	2,918	19	4,081
Profit/(Loss) For The Period Attributable to:				
Owners of the parent	1,401	2,919	56	4,082
Non-controlling interest	(19)	(1)	(37)	(1)
	1,382	2,918	19	4,081
Total Comprehensive Income/(Loss) Attributable to:				
Owners of the parent	1,401	2,919	56	4,082
Non-controlling interest	(19)	(1)	(37)	(1)
	1,382	2,918	19	4,081
Earnings/(Loss) Per Share (sen):-				
(a) Basic (sen)	1.40	2.92 *	0.06	4.08 *
(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 31 December 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 31.12.2021 RM'000	AS AT PRECEDING YEAR ENDED 30.06.2021 RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	34,861	35,703
Right of Use Assets	196	177
Investment in an Associated Company	505	505
	<u>35,562</u>	<u>36,385</u>
Current Assets		
Inventories	29,873	29,091
Inventories-property development cost	11,975	11,971
Receivables	9,181	4,640
Tax Assets	982	542
Deposits, Cash and Bank Balances	14,275	15,532
	<u>66,286</u>	<u>61,776</u>
TOTAL ASSETS	<u>101,848</u>	<u>98,161</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share Capital	49,998	49,998
Retained Profits	19,098	19,042
	<u>69,096</u>	<u>69,040</u>
Non-Controlling Interest	<u>61</u>	<u>98</u>
Total Equity	<u>69,157</u>	<u>69,138</u>
Non-current Liabilities		
Borrowings	5,542	6,117
Lease Liabilities	104	93
Deferred Taxation	1,470	1,470
	<u>7,116</u>	<u>7,680</u>
Current Liabilities		
Payables	18,387	16,306
Borrowings	7,059	4,920
Lease Liabilities	98	93
Tax Liabilities	31	24
	<u>25,575</u>	<u>21,343</u>
Total Liabilities	<u>32,691</u>	<u>29,023</u>
TOTAL EQUITY AND LIABILITIES	<u>101,848</u>	<u>98,161</u>
Net assets per share attributable to the owners of the parent (RM)	<u>0.69</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 6 MONTHS PERIOD ENDED 31ST DECEMBER 2021 (UNAUDITED)**

	CURRENT PERIOD TO DATE 31.12.2021 RM'000	PRECEDING PERIOD TO DATE 31.12.2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	52	4,805
Adjustments for:-		
Depreciation of property, plant and equipment	1,169	1,223
Depreciation of right of use assets	47	45
Expenses relating to short-term lease	-	2
Unrealised foreign exchange loss/(gain)	133	125
Net changes in fair value on derivative financial instruments	-	(35)
Interest expenses	283	110
Interest income	(39)	(44)
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	<u>1,634</u>	<u>6,210</u>
Changes In Working Capital		
Inventories	(782)	(6,900)
Inventories-property development costs	(4)	(638)
Receivables	(4,602)	(1,230)
Payables	2,079	3,235
Cash generated from / (used in) operations	<u>(1,675)</u>	<u>677</u>
Interest expenses	(283)	(110)
Interest income	39	44
Tax paid	(466)	(122)
Short term lease payment	-	(2)
Net Cash Flows Generated From / (Used In) Operating Activities	<u>(2,385)</u>	<u>487</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	8	21
Purchase of property, plant and equipment	(327)	(288)
Net Cash Flows Generated From / (Used In) Investing Activities	<u>(319)</u>	<u>(267)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movements in short term borrowings	1,563	43
Repayment of lease liabilities	(47)	(44)
Net Cash Flows Generated From / (Used In) Financing Activities	<u>1,516</u>	<u>(1)</u>
Net Change In Cash And Cash Equivalents	<u>(1,188)</u>	<u>219</u>
Effect of exchange rate changes	(69)	(19)
Cash And Cash Equivalents At Beginning Of Year	<u>14,775</u>	<u>13,762</u>
Cash And Cash Equivalents At End Of Period (Note 26)	<u>13,518</u>	<u>13,962</u>

(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 6 MONTHS PERIOD ENDED 31ST DECEMBER 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						
31.12.2021						
Balance At Beginning Of Year	49,998	-	19,042	69,040	98	69,138
Total Comprehensive Income/ (Loss) For The Period	-	-	56	56	(37)	19
Balance At End Of Period	49,998	-	19,098	69,096	61	69,157

Preceding Period To Date**31.12.2020**

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

(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 2ND QUARTER ENDED 31 DECEMBER 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	33,004	-	-	33,004
Inter-segment sales	-	-	-	-
Total Revenue	33,004	-	-	33,004
Profit/ (Loss) before taxation	233	(188)	7	52
Total assets	105,121	12,839	(16,112)	101,848
Total liabilities	36,219	12,533	(16,061)	32,691

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 31.12.2021 RM'000	Current Year To Date 31.12.2021 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>	1,842	2,156
<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>	33	61

15 Review of performance

	Individual Quarter			Cumulative Quarter		
	31.12.2021 RM'000	31.12.2020 RM'000	Variance %	31.12.2021 RM'000	31.12.2020 RM'000	Variance %
Revenue	24,558	34,558	(28.94)	33,004	64,750	(49.03)
Gross profit/(loss)	4,550	7,216	(36.95)	4,750	11,926	(60.17)
Profit/(Loss) before interest and tax	1,547	3,696	(58.14)	335	4,915	(93.18)
Profit/(Loss) before taxation	1,399	3,626	(61.42)	52	4,805	(98.92)
Profit/(Loss) after taxation	1,382	2,918	(52.64)	19	4,081	(99.53)
Profit/(Loss) attributable to owners of the parent	1,401	2,919	(52.00)	56	4,082	(98.63)

For the current quarter under review, the Group's revenue has decreased by 28.94% to RM24.56 million as compared to RM34.56 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 worldwide resulting to the completed orders were not able to ship out to customers. The shortage of containers situation has also resulted to the slow-down of our production due to the warehouse space constraint. Correspondingly, the Group has recorded a lower gross profit of RM4.55 million in the current quarter as compared to a gross profit of RM7.22 million in the preceding year's corresponding quarter. As a result of lower gross profit, the Group has also recorded a lower profit before tax of RM1.40 million in the current quarter compared to a profit before tax of RM3.63 million in the preceding year's corresponding quarter.

For the six months period under review, the Group's revenue has decreased by 49.03% to RM33.00 million as compared to the preceding year's corresponding period of RM64.75 million. The decrease was 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 and the shortage of containers worldwide resulting to the completed orders were not able to ship to customers. The Group's operations subsequently recommenced in mid September 2021 after most of our employees were fully vaccinated. Due to the steep decline in revenue, the Group has recorded a lower gross profit of RM4.75 million in the current six months period compared to RM11.93 million in the preceding year's corresponding period. The substantial drop in gross profit and disproportionately higher operating expenses consisting mainly of fixed administrative expenses resulted in a lower profit before tax of RM0.05 million in the current six months period compared to RM4.81 million recorded in the preceding year's corresponding period.

16 Comparison with preceding quarter's result

	Current Quarter	Preceding Quarter	Variance %
	31.12.2021 RM'000	30-9-2021 RM'000	
Revenue	24,558	8,446	190.76
Gross profit/(loss)	4,550	200	2,175.00
Profit/(Loss) before interest and tax	1,547	(1,212)	(227.64)
Profit/(Loss) before taxation	1,399	(1,347)	(203.86)
Profit/(Loss) after taxation	1,382	(1,363)	(201.39)
Profit/(Loss) attributable to owners of the parent	1,401	(1,345)	(204.16)

The Group's revenue for the current quarter under review of RM24.56 million represents an increase of more than 100% compared to RM8.45 million registered in the preceding quarter. The increase were mainly due to the recommencement of manufacturing operations in mid September 2021 after the temporary stoppage of operation due to the implementation of FMCO on 1 June 2021. Correspondingly, the Group has recorded a higher gross profit of RM4.55 million compared to a gross profit of RM0.20 million in the preceding quarter. As a result of the higher gross profit, the Group has also recorded a profit before tax of RM1.40 million in the current quarter compared to loss before tax of RM1.35 million in the preceding quarter.

17 Prospects

The global economy is recovering 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. However, the recent surge in inflation rate and the tightening of the labour market have given rise to expectation of more aggressive interest rate hikes. While Malaysia is progressing well on vaccinating its population, the Covid-19 pandemic has resulted 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	(15)	(39)
Other income	(90)	(105)
Interest expense	148	283
Depreciation of property, plant and equipment	584	1,169
Depreciation of right of use assets	23	47
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Loss/(gain) on disposal of property, plant and equipment	-	(8)
Property, plant and equipment written off	-	-
Expenses relating to short-term lease	-	-
Foreign exchange loss/(gain)		
- Realised	(199)	(182)
- Unrealised	152	133
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	17	33
- Deferred taxation	-	-
	<u>17</u>	<u>33</u>
Adjustment in respect of prior year		
- Malaysian taxation	-	-
- Deferred taxation	-	-
	<u>-</u>	<u>-</u>
Total	<u>17</u>	<u>33</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 31.12.2021					
	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	-	5,542	-	828	-	6,370
Unsecured						
Revolving loan	-	-	-	-	-	-
Bankers acceptance	-	-	-	6,231	-	6,231
Overdraft	-	-	-	-	-	-
Total	-	5,542	-	7,059	-	12,601
	Preceding Year Corresponding Quarter 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
Secured						
Hire purchase	-	-	-	-	-	-
Bill payable	-	-	-	-	-	-
Bankers acceptance	-	-	-	-	-	-
Term Loan	-	6,241	-	-	-	6,241
Unsecured						
Revolving loan	-	-	-	-	-	-
Bankers acceptance	-	-	-	5,860	-	5,860
Overdraft	-	-	-	-	-	-
Total	-	6,241	-	5,860	-	12,101

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 31.12.2021 RM'000	Preceding period to date 31.12.2020 RM'000
Represented by:		
Deposits, cash and bank balances	14,275	14,699
Less:		
Deposits pledged to bank	(757)	(737)
	13,518	13,962

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 31.12.2021	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2020	CURRENT YEAR TO DATE 31.12.2021	PRECEDING YEAR CORRESPONDING PERIOD 31.12.2020
Net profit / (loss) for the period attributable to owners of the parent (RM'000)	1,401	2,919	56	4,082
Number of ordinary shares in issue ('000)	99,995	99,995	99,995	99,995
Basic earnings / (loss) per share (sen)	1.40	* 2.92	0.06	* 4.08

* For comparative purpose, the Earnings/(Loss) Per Share for the quarter and year to date ended 31 December 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
14 FEBRUARY 2022