



# SHH RESOURCES HOLDINGS BERHAD

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

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 9 MONTHS PERIOD ENDED 31ST MARCH 2022 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31.03.2022 RM'000	31.03.2021 RM'000	31.03.2022 RM'000	31.03.2021 RM'000
Revenue	26,824	29,190	59,828	93,940
Cost of Sales	(21,276)	(24,336)	(49,530)	(77,160)
Gross Profit/(Loss)	5,548	4,854	10,298	16,780
Other Operating Income	184	177	518	694
Operating Expenses	(3,570)	(3,370)	(8,319)	(10,949)
Net Gain/(Loss) on Financial Assets and Financial Liabilities at Fair Value	-	(231)	-	(180)
Profit/(Loss) From Operations	2,162	1,430	2,497	6,345
Finance Cost	(144)	(44)	(427)	(154)
Share of Profits/ (Loss) of Associate Company	-	-	-	-
Profit/(Loss) Before Taxation	2,018	1,386	2,070	6,191
Taxation	(492)	(170)	(525)	(894)
Profit/(Loss) For The Period	1,526	1,216	1,545	5,297
Other Comprehensive Income/(Loss) For The Period				
Foreign Currency Translation	-	-	-	-
Total Comprehensive Income/(Loss) For The Period	1,526	1,216	1,545	5,297
Profit/(Loss) For The Period Attributable to:				
Owners of the parent	1,545	1,216	1,601	5,298
Non-controlling interest	(19)	-	(56)	(1)
	1,526	1,216	1,545	5,297
Total Comprehensive Income/(Loss) Attributable to:				
Owners of the parent	1,545	1,216	1,601	5,298
Non-controlling interest	(19)	-	(56)	(1)
	1,526	1,216	1,545	5,297
Earnings/(Loss) Per Share (sen):-				
(a) Basic (sen)	1.55	1.22	1.60	5.30
(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 March 2021 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 31.03.2022 RM'000	AS AT PRECEDING YEAR ENDED 30.06.2021 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant and Equipment	34,287	35,703
Right of Use Assets	172	177
Investment in an Associated Company	505	505
	<u>34,964</u>	<u>36,385</u>
<b>Current Assets</b>		
Inventories	27,710	29,091
Inventories-property development cost	11,975	11,971
Receivables	9,641	4,640
Tax Assets	507	542
Deposits, Cash and Bank Balances	14,857	15,532
	<u>64,690</u>	<u>61,776</u>
<b>TOTAL ASSETS</b>	<b><u>99,654</u></b>	<b><u>98,161</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share Capital	49,998	49,998
Retained Profits	20,643	19,042
	<u>70,641</u>	<u>69,040</u>
<b>Non-Controlling Interest</b>	<u>42</u>	<u>98</u>
<b>Total Equity</b>	<u>70,683</u>	<u>69,138</u>
<b>Non-current Liabilities</b>		
Borrowings	5,257	6,117
Lease Liabilities	92	93
Deferred Taxation	1,470	1,470
	<u>6,819</u>	<u>7,680</u>
<b>Current Liabilities</b>		
Payables	14,440	16,306
Borrowings	7,605	4,920
Lease Liabilities	86	93
Tax Liabilities	21	24
	<u>22,152</u>	<u>21,343</u>
<b>Total Liabilities</b>	<u>28,971</u>	<u>29,023</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>99,654</u></b>	<b><u>98,161</u></b>
<b>Net assets per share attributable to the owners of the parent (RM)</b>	<b><u>0.71</u></b>	<b><u>0.69</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 2021)



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE 9 MONTHS PERIOD ENDED 31ST MARCH 2022 (UNAUDITED)**

	<b>CURRENT PERIOD TO DATE 31.03.2022 RM'000</b>	<b>PRECEDING PERIOD TO DATE 31.03.2021 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) Before Tax	2,070	6,191
Adjustments for:-		
Depreciation of property, plant and equipment	1,755	1,840
Depreciation of right of use assets	72	68
Expenses relating to short-term lease	-	4
Unrealised foreign exchange loss/(gain)	(47)	(247)
Net changes in fair value on derivative financial instruments	-	196
Interest expenses	427	153
Interest income	(51)	(61)
Property, plant and equipment written off	7	-
Gain on derecognition of right of use assets	(3)	-
Loss/(gain) on disposal of property, plant and equipment	(8)	(31)
Operating Profit/(Loss) Before Changes In Working Capital	<u>4,222</u>	<u>8,113</u>
Changes In Working Capital		
Inventories	1,380	(8,868)
Inventories-property development costs	(4)	(735)
Receivables	(4,980)	(3,111)
Payables	(1,868)	478
Cash generated from / (used in) operations	<u>(1,250)</u>	<u>(4,123)</u>
Interest expenses	(427)	(153)
Interest income	51	61
Tax paid	(493)	(526)
Short term lease payment	-	(4)
<b>Net Cash Flows Generated From / (Used In) Operating Activities</b>	<u>(2,119)</u>	<u>(4,745)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	8	31
Purchase of property, plant and equipment	(345)	(567)
<b>Net Cash Flows Generated From / (Used In) Investing Activities</b>	<u>(337)</u>	<u>(536)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net movements in short term borrowings	1,824	353
Drawdown of term loan	-	-
Increase in fixed deposit pledged to bank	(13)	-
Repayment of hire purchase obligations	-	-
Repayment of lease liabilities	(71)	(66)
<b>Net Cash Flows Generated From / (Used In) Financing Activities</b>	<u>1,740</u>	<u>287</u>
<b>Net Change In Cash And Cash Equivalents</b>	<u>(716)</u>	<u>(4,994)</u>
Effect of exchange rate changes	28	23
<b>Cash And Cash Equivalents At Beginning Of Year</b>	<u>14,775</u>	<u>13,762</u>
<b>Cash And Cash Equivalents At End Of Period (Note 26)</b>	<u>14,087</u>	<u>8,791</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 9 MONTHS PERIOD ENDED 31ST MARCH 2022 (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>31.03.2022</b>	<hr/>					
<b>Balance At Beginning Of Year</b>	49,998	-	19,042	69,040	98	69,138
Total Comprehensive Income/ (Loss) For The Period	-	-	1,601	1,601	(56)	1,545
<b>Balance At End Of Period</b>	49,998	-	20,643	70,641	42	70,683
<hr/>						
<b>Preceding Period To Date</b> <b>31.03.2021</b>	<hr/>					
<b>Balance At Beginning Of Year</b>	49,998	-	15,074	65,072	97	65,169
Total Comprehensive Income/ (Loss) For The Period	-	-	5,298	5,298	(1)	5,297
<b>Balance At End Of Period</b>	49,998	-	20,372	70,370	96	70,466

( 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 3RD QUARTER ENDED 31 MARCH 2022

### 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	59,828	-	-	59,828
Inter-segment sales	-	-	-	-
Total Revenue	59,828	-	-	59,828
Profit/ (Loss) before taxation	2,342	(281)	9	2,070
Total assets	103,450	12,818	(16,614)	99,654
Total liabilities	32,930	12,606	(16,565)	28,971

### 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 31.03.2022 RM'000	Current Year To Date 31.03.2022 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>	1,555	3,711
<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>	40	101

### 15 Review of performance

	Individual Quarter			Cumulative Quarter		
	31.03.2022 RM'000	31.03.2021 RM'000	Variance %	31.03.2022 RM'000	31.03.2021 RM'000	Variance %
<b>Revenue</b>	26,824	29,190	(8.11)	59,828	93,940	(36.31)
<b>Gross profit/(loss)</b>	5,548	4,854	14.30	10,298	16,780	(38.63)
<b>Profit/(Loss) before interest and tax</b>	2,162	1,430	51.19	2,497	6,345	(60.65)
<b>Profit/(Loss) before taxation</b>	2,018	1,386	45.60	2,070	6,191	(66.56)
<b>Profit/(Loss) after taxation</b>	1,526	1,216	25.49	1,545	5,297	(70.83)
<b>Profit/(Loss) attributable to owners of the parent</b>	1,545	1,216	27.06	1,601	5,298	(69.78)

For the current quarter under review, the Group's revenue has decreased by 8.11% to RM26.82 million as compared to RM29.19 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 warehouse space constraint. Despite the lower revenue, the Group has recorded a higher gross profit of RM5.55 million in the current quarter as compared to a gross profit of RM4.85 million in the preceding year's corresponding quarter. The higher gross profit were mainly due to the weakening of the Ringgit Malaysia against the US Dollar and the lower direct labour cost incurred as a result of the efforts by the Group in controlling its manufacturing costs. The Group has also managed to implement price increases on our products to off-set the escalating raw material costs. Correspondingly, the Group has recorded a higher profit before tax of RM2.02 million in the current quarter compared to a profit before tax of RM1.39 million in the preceding year's corresponding quarter.

For the nine months period under review, the Group's revenue has decreased by 36.31% to RM59.83 million as compared to the preceding year's corresponding period of RM93.94 million. 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 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 RM10.30 million in the current nine months period compared to RM16.78 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 RM2.07 million in the current nine months period compared to RM6.19 million recorded in the preceding year's corresponding period.

16 Comparison with preceding quarter's result

	Current Quarter	Preceding Quarter	Variance %
	31.03.2022 RM'000	31-12-2021 RM'000	
Revenue	26,824	24,558	9.23
Gross profit/(loss)	5,548	4,550	21.93
Profit/(Loss) before interest and tax	2,162	1,547	39.75
Profit/(Loss) before taxation	2,018	1,399	44.25
Profit/(Loss) after taxation	1,526	1,382	10.42
Profit/(Loss) attributable to owners of the parent	1,545	1,401	10.28

The Group's revenue for the current quarter under review of RM26.82 million represents an increase of 9.23% compared to RM24.56 million registered in the preceding quarter. The increase were mainly due to the increase container shipments in the current quarter under review. Correspondingly, the Group has recorded a higher gross profit of RM5.55 million compared to a gross profit of RM4.55 million in the preceding quarter. The higher gross profit was mainly due to the lower direct labour cost incurred as a result of the effort by the Group in controlling its manufacturing cost. The Group has also managed to implement price increases on our products to off-set the escalating raw material costs. As a result of the higher gross profit, the Group has also recorded a higher profit before tax of RM2.02 million in the current quarter compared to profit before tax of RM1.40 million in the preceding quarter.

17 Prospects

The global growth is projected to slow from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023 by the IMF due to the war in Ukraine. While Malaysia is progressing well in transition to endemic phase, the Covid-19 pandemic has resulted to shortage of labour and higher raw material costs and with the recently implemented increased in the minimum wages, will result to higher operational cost. In the USA, the recent surge in inflation rate and the tightening of the labour market have given rise to expectation of more aggressive interest rate hikes by the Federal Open Market Committee (FOMC) which will result to lower consumer's confidence and spending. 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	(12)	(51)
Other income	(110)	(215)
Interest expense	144	427
Depreciation of property, plant and equipment	586	1,755
Depreciation of right of use assets	25	72
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	7	7
Expenses relating to short-term lease	-	-
Foreign exchange loss/(gain)		
- Realised	(15)	(197)
- Unrealised	(180)	(47)
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	492	525
- Deferred taxation	-	-
	<u>492</u>	<u>525</u>
Adjustment in respect of prior year		
- Malaysian taxation	-	-
- Deferred taxation	-	-
	<u>-</u>	<u>-</u>
Total	<u>492</u>	<u>525</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 31.03.2022					
	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	-	-	-	510	-	510
Term Loan	-	5,257	-	1,113	-	6,370
<b>Unsecured</b>						
Revolving loan	-	-	-	-	-	-
Bankers acceptance	-	-	-	5,982	-	5,982
Overdraft	-	-	-	-	-	-
<b>Total</b>	-	5,257	-	7,605	-	12,862
	Preceding Year Corresponding Quarter 31.03.2021					
	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
<b>Secured</b>						
Hire purchase	-	-	-	-	-	-
Bill payable	-	-	-	-	-	-
Bankers acceptance	-	-	-	471	-	471
Term Loan	-	6,241	-	-	-	6,241
<b>Unsecured</b>						
Revolving loan	-	-	-	-	-	-
Bankers acceptance	-	-	-	5,699	-	5,699
Overdraft	-	-	-	-	-	-
<b>Total</b>	-	6,241	-	6,170	-	12,411

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 31.03.2022 RM'000	Preceding period to date 31.03.2021 RM'000
Represented by:		
Deposits, cash and bank balances	14,857	9,527
Less:		
Deposits pledged to bank	(770)	(736)
	<b>14,087</b>	<b>8,791</b>

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 31.03.2022	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2021	CURRENT YEAR TO DATE 31.03.2022	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2021
Net profit / (loss) for the period attributable to owners of the parent (RM'000)	1,545	1,216	1,601	5,298
Number of ordinary shares in issue ('000)	99,995	99,995	99,995	99,995
Basic earnings / (loss) per share (sen)	1.55	* 1.22	1.60	* 5.30

\* For comparative purpose, the Earnings/(Loss) Per Share for the quarter and year to date ended 31 March 2021 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 MAY 2022