



SHH RESOURCES HOLDINGS BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 12 MONTHS PERIOD ENDED 30TH JUNE 2022 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	(AUDITED) PRECEDING YEAR CORRESPONDING PERIOD
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
Revenue	32,882	18,966	92,710	112,906
Cost of Sales	(26,427)	(17,230)	(75,957)	(94,390)
Gross Profit/(Loss)	6,455	1,736	16,753	18,516
Other Operating Income	1,319	221	1,837	915
Operating Expenses	(3,495)	(2,995)	(11,815)	(13,945)
Net Gain/(Loss) on Financial Assets and Financial Liabilities at Fair Value	-	180	-	-
Profit/(Loss) From Operations	4,279	(858)	6,775	5,486
Finance Cost	(141)	(46)	(568)	(199)
Share of Profits/ (Loss) of Associate Company	(87)	(154)	(87)	(154)
Profit/(Loss) Before Taxation	4,051	(1,058)	6,120	5,133
Taxation	(522)	(270)	(1,047)	(1,164)
Profit/(Loss) For The Period	3,529	(1,328)	5,073	3,969
Other Comprehensive Income/(Loss) For The Period				
Foreign Currency Translation	-	-	-	-
Total Comprehensive Income/(Loss) For The Period	3,529	(1,328)	5,073	3,969
Profit/(Loss) For The Period Attributable to:				
Owners of the parent	3,550	(1,330)	5,150	3,968
Non-controlling interest	(21)	2	(77)	1
	3,529	(1,328)	5,073	3,969
Total Comprehensive Income/(Loss) Attributable to:				
Owners of the parent	3,550	(1,330)	5,150	3,968
Non-controlling interest	(21)	2	(77)	1
	3,529	(1,328)	5,073	3,969
Earnings/(Loss) Per Share (sen):-				
(a) Basic (sen)	3.55	(1.33)	5.15	3.97
(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 2021)

**SHH RESOURCES HOLDINGS BERHAD**

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	AS AT CURRENT QUARTER ENDED 30.06.2022 RM'000	(AUDITED) AS AT PRECEDING YEAR ENDED 30.06.2021 RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	33,778	35,703
Right of Use Assets	166	177
Investment in an Associated Company	459	505
	<u>34,403</u>	<u>36,385</u>
Current Assets		
Inventories	21,019	29,091
Inventories-property development cost	11,974	11,971
Receivables	15,617	4,640
Tax Assets	80	542
Investment in Subsidiary Company, held for distribution (Note 12)	178	-
Deposits, Cash and Bank Balances	20,052	15,532
	<u>68,920</u>	<u>61,776</u>
TOTAL ASSETS	<u>103,323</u>	<u>98,161</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share Capital	49,998	49,998
Retained Profits	24,192	19,042
	<u>74,190</u>	<u>69,040</u>
Non-Controlling Interest	<u>21</u>	<u>98</u>
Total Equity	<u>74,211</u>	<u>69,138</u>
Non-current Liabilities		
Borrowings	5,096	6,117
Lease Liabilities	104	93
Deferred Taxation	1,532	1,470
	<u>6,732</u>	<u>7,680</u>
Current Liabilities		
Payables	15,075	16,306
Borrowings	7,214	4,920
Lease Liabilities	66	93
Tax Liabilities	25	24
	<u>22,380</u>	<u>21,343</u>
Total Liabilities	<u>29,112</u>	<u>29,023</u>
TOTAL EQUITY AND LIABILITIES	<u>103,323</u>	<u>98,161</u>
Net assets per share attributable to the owners of the parent (RM)	<u>0.74</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 12 MONTHS PERIOD ENDED 30TH JUNE 2022 (UNAUDITED)**

	CURRENT PERIOD TO DATE 30.06.2022 RM'000	(AUDITED) PRECEDING PERIOD TO DATE 30.06.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	6,120	5,133
Adjustments for:-		
Depreciation of property, plant and equipment	2,340	2,438
Depreciation of right of use assets	97	90
Expenses relating to short-term lease	-	4
Unrealised foreign exchange loss/(gain)	(185)	(52)
Inventories written down to net realisable value	-	3
Interest expenses	568	199
Interest income	(68)	(96)
Property, plant and equipment written off	12	-
Gain on remeasurement of right of use assets	(4)	-
Loss/(Gain) on disposal of property, plant and equipment	(8)	(52)
Share of associate company (profit)/loss	87	154
Operating Profit/(Loss) Before Changes In Working Capital	8,959	7,821
Changes In Working Capital		
Inventories	8,030	(6,191)
Inventories-property development costs	(3)	(969)
Receivables	(10,831)	4,378
Payables	(1,274)	(1,114)
Net changes in fair value on derivative financial instruments	-	16
Cash generated from / (used in) operations	4,881	3,941
Interest expenses	(568)	(199)
Interest income	63	96
Tax paid	(664)	(915)
Tax refund	142	-
Short term lease payment	-	(4)
Net Cash Flows Generated From / (Used In) Operating Activities	3,854	2,919
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	8	52
Purchase of property, plant and equipment	(427)	(857)
Net cash outflow upon de-consolidation of a subsidiary company (Note 12)	(178)	-
Net Cash Flows Generated From / (Used In) Investing Activities	(597)	(805)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movements in short term borrowings	1,451	(1,150)
Drawdown of term loan	-	128
Increase in fixed deposit pledged to bank	(13)	(20)
Repayment of term loan	(179)	-
Repayment of lease liabilities	(98)	(88)
Net Cash Flows Generated From / (Used In) Financing Activities	1,161	(1,130)
Net Change In Cash And Cash Equivalents	4,418	984
Effect of exchange rate changes	89	29
Cash And Cash Equivalents At Beginning Of Year	14,775	13,762
Cash And Cash Equivalents At End Of Period (Note 26)	19,282	14,775

(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 12 MONTHS PERIOD ENDED 30TH JUNE 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
Current Period To Date						
30.06.2022						
Balance At Beginning Of Year	49,998	-	19,042	69,040	98	69,138
Total Comprehensive Income/ (Loss) For The Period	-	-	5,150	5,150	(77)	5,073
Balance At End Of Period	49,998	-	24,192	74,190	21	74,211
Preceding Period To Date						
30.06.2021 (Audited)						
Balance At Beginning Of Year	49,998	-	15,074	65,072	97	65,169
Total Comprehensive Income/ (Loss) For The Period	-	-	3,968	3,968	1	3,969
Balance At End Of Period	49,998	-	19,042	69,040	98	69,138

(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 4TH QUARTER ENDED 30 JUNE 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	Property Development	Consolidated Adjustments & Eliminations	Total
	RM'000	RM'000	RM'000	RM'000
Sales to external customers	92,710	-	-	92,710
Inter-segment sales	-	-	-	-
Total Revenue	92,710	-	-	92,710
Profit/ (Loss) before taxation	6,544	(381)	(43)	6,120
Total assets	108,033	12,893	(17,603)	103,323
Total liabilities	33,829	12,785	(17,502)	29,112

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 30 June 2022, the Company announced that Metro Court Sdn Bhd ("MCSB"), a wholly owned subsidiary of SHH Furniture Industries Sdn Bhd, which in turn is a wholly owned subsidiary of the Company, has at its Extraordinary General Meeting held on 30 June 2022, obtained the approval to commence its member's voluntary winding-up pursuant to Section 439(2)(a) of the Companies Act 2016. Dato' Teo Wee Cheng and Ms. Pang Kah Man have been appointed to act jointly and severally as the Liquidators of MCSB.

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 30.06.2022 RM'000	Current Year To Date 30.06.2022 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>	1,645	5,356
<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>	120	221

15 Review of performance

	Individual Quarter			Cumulative Quarter		
	30.06.2022 RM'000	30.06.2021 RM'000	Variance %	30.06.2022 RM'000	30.06.2021 RM'000	Variance %
Revenue	32,882	18,966	73.37	92,710	112,906	(17.89)
Gross profit/(loss)	6,455	1,736	271.83	16,753	18,516	(9.52)
Profit/(Loss) before interest and tax	4,192	(1,012)	(514.23)	6,688	5,332	25.43
Profit/(Loss) before taxation	4,051	(1,058)	(482.89)	6,120	5,133	19.23
Profit/(Loss) after taxation	3,529	(1,328)	(365.74)	5,073	3,969	27.82
Profit/(Loss) attributable to owners of the parent	3,550	(1,330)	(366.92)	5,150	3,968	29.79

For the current quarter under review, the Group's revenue has increased by 73.37% to RM32.88 million as compared to RM18.97 million in the preceding year's corresponding quarter. The increase was mainly due to the increase in shipments to customers whilst the revenue in the preceding corresponding quarter was affected by the temporary stoppage of operation due to Covid-19 cases and the implementation of FMCO in June 2021. As a result of the higher revenue, the Group has recorded a higher gross profit of RM6.46 million in the current quarter as compared to a gross profit of RM1.74 million in the preceding year's corresponding quarter. The higher gross profit was also due to the weakening of the Ringgit Malaysia against the US Dollar. The Group has also managed to implement price increases on our products to off-set the escalating raw material costs. The Group recorded a higher other operating income of RM1.32 million in the current quarter compared to RM0.22 million in the preceding year's corresponding quarter. The higher other operating income was due to higher foreign exchange gain recorded in the current quarter. Correspondently, the Group has recorded a higher profit before tax of RM4.05 million in the current quarter compared to a loss before tax of RM1.06 million in the preceding year's corresponding quarter.

For the twelve months period under review, the Group's revenue has decreased by 17.89% to RM92.71 million as compared to the preceding year's corresponding period of RM112.91 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 decline in revenue, the Group has recorded a lower gross profit of RM16.75 million in the current twelve months period compared to RM18.52 million in the preceding year's corresponding period. However, the Group recorded a higher gross profit margin of 18.07% in the current twelve months period under review compared to 16.40% due to the weakening of the Ringgit Malaysia against the the US Dollar. Despite the lower gross profit, the Group recorded a higher profit before tax of RM6.12 million in the current twelve months period compared to RM5.13 million recorded in the preceding year's corresponding period. The higher profit before tax was due to higher other operating income of RM1.84 million in the current period compared to RM0.92 million in the preceding year's corresponding period. The higher other operating income was due to higher foreign exchange gain recorded in the current period.

16 Comparison with preceding quarter's result

	Current Quarter	Preceding Quarter	Variance %
	30.06.2022 RM'000	31-03-2022 RM'000	
Revenue	32,882	26,824	22.58
Gross profit/(loss)	6,455	5,548	16.35
Profit/(Loss) before interest and tax	4,192	2,162	93.89
Profit/(Loss) before taxation	4,051	2,018	100.74
Profit/(Loss) after taxation	3,529	1,526	131.26
Profit/(Loss) attributable to owners of the parent	3,550	1,545	129.77

The Group's revenue for the current quarter under review of RM32.88 million represents an increase of 22.58% compared to RM26.82 million registered in the preceding quarter. The increase was mainly due to the increase container shipments and the weakening of the Ringgit Malaysia against the US Dollar in the current quarter under review. Correspondingly, the Group has recorded a higher gross profit of RM6.46 million compared to a gross profit of RM5.55 million in the preceding quarter. The Group also recorded a higher other operating income of RM1.32 million in the current quarter compare to RM0.18 million in the preceding quarter due to higher foreign exchange gain in the current quarter. As a result, the Group has recorded a higher profit before tax of RM4.05 million in the current quarter compared to profit before tax of RM2.02 million in the preceding quarter.

17 Prospects

Global output contracted in the second quarter of this year due to downturns in China and Russia while USA consumer spending is slowing down. Higher than expected inflation worldwide especially in the USA and major European economies have resulted in tighter financial condition. While Malaysia is progressing well under the National Recovery Plan, 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 high inflation rate and the tightening of the labour market have given rise to 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 high 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	(17)	(68)
Other income	(105)	(320)
Interest expense	141	568
Depreciation of property, plant and equipment	585	2,340
Depreciation of right of use assets	25	97
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	5	12
Expenses relating to short-term lease	-	-
Foreign exchange loss/(gain)		
- Realised	(1,059)	(1,256)
- Unrealised	(138)	(185)
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	482	1,007
- Deferred taxation	40	40
	<u>522</u>	<u>1,047</u>
Adjustment in respect of prior year		
- Malaysian taxation	(23)	(23)
- Deferred taxation	23	23
	<u>-</u>	<u>-</u>
Total	<u>522</u>	<u>1,047</u>

The effective tax rate for the Group is lower than the statutory tax rate mainly due to the utilisation of business loss bought 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 30.06.2022					
	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
Secured						
Hire purchase	-	-	-	-	-	-
Bill payable	-	-	-	-	-	-
Bankers acceptance	-	-	-	507	-	507
Term Loan	-	5,096	-	1,095	-	6,191
Unsecured						
Revolving loan	-	-	-	-	-	-
Bankers acceptance	-	-	-	5,612	-	5,612
Overdraft	-	-	-	-	-	-
Total	-	5,096	-	7,214	-	12,310
	Preceding Year Corresponding Quarter 30.06.2021					
	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	-	-	-	396	-	396
Term Loan	-	6,117	-	252	-	6,369
Unsecured						
Revolving loan	-	-	-	-	-	-
Bankers acceptance	-	-	-	4,272	-	4,272
Overdraft	-	-	-	-	-	-
Total	-	6,117	-	4,920	-	11,037

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 30.06.2022 RM'000	Preceding period to date 30.06.2021 RM'000
Represented by:		
Deposits, cash and bank balances	20,052	15,532
Less:		
Deposits pledged to bank	(770)	(757)
	19,282	14,775

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 30.06.2022	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2021	CURRENT YEAR TO DATE 30.06.2022	PRECEDING YEAR CORRESPONDING PERIOD 30.06.2021
Net profit / (loss) for the period attributable to owners of the parent (RM'000)	3,550	(1,330)	5,150	3,968
Number of ordinary shares in issue ('000)	99,995	99,995	99,995	99,995
Basic earnings / (loss) per share (sen)	3.55	(1.33)	5.15	3.97

BY ORDER OF THE BOARD

Dato' Teo Wee Cheng
Managing Director
29 AUGUST 2022