

**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 2022 (UNAUDITED)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Revenue	25,117	8,446	25,117	8,446
Cost of Sales	(20,022)	(8,246)	(20,022)	(8,246)
Gross Profit/(Loss)	5,095	200	5,095	200
Other Operating Income	1,466	66	1,466	66
Operating Expenses	(3,058)	(1,478)	(3,058)	(1,478)
Net Gain/(Loss) on Financial Assets and Financial Liabilities at Fair Value	-	-	-	-
Profit/(Loss) From Operations	3,503	(1,212)	3,503	(1,212)
Finance Cost	(149)	(135)	(149)	(135)
Share of Profits/ (Loss) of Associate Company	-	-	-	-
Profit/(Loss) Before Taxation	3,354	(1,347)	3,354	(1,347)
Taxation	(538)	(16)	(538)	(16)
Profit/(Loss) For The Period	2,816	(1,363)	2,816	(1,363)
Other Comprehensive Income/(Loss) For The Period				
Foreign Currency Translation	-	-	-	-
Total Comprehensive Income/(Loss) For The Period	2,816	(1,363)	2,816	(1,363)
Profit/(Loss) For The Period Attributable to:				
Owners of the parent	2,835	(1,345)	2,835	(1,345)
Non-controlling interest	(19)	(18)	(19)	(18)
	2,816	(1,363)	2,816	(1,363)
Total Comprehensive Income/(Loss) Attributable to:				
Owners of the parent	2,835	(1,345)	2,835	(1,345)
Non-controlling interest	(19)	(18)	(19)	(18)
	2,816	(1,363)	2,816	(1,363)
Earnings/(Loss) Per Share (sen):-				
(a) Basic (sen)	2.84	(1.35)	2.84	(1.35)
(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 2022)

**SHH RESOURCES HOLDINGS BERHAD**

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	AS AT CURRENT QUARTER ENDED 30.09.2022 RM'000	(AUDITED) AS AT PRECEDING YEAR ENDED 30.06.2022 RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	33,316	33,778
Right of Use Assets	142	166
Investment in an Associated Company	459	459
	<u>33,917</u>	<u>34,403</u>
Current Assets		
Inventories	17,502	21,019
Inventories-property development cost	11,974	11,974
Receivables	11,406	15,617
Tax Assets	-	80
Investment in Subsidiary Company, held for distribution (Note 12)	178	178
Deposits, Cash and Bank Balances	28,660	20,052
	<u>69,720</u>	<u>68,920</u>
TOTAL ASSETS	<u>103,637</u>	<u>103,323</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share Capital	49,998	49,998
Retained Profits	27,027	24,192
	<u>77,025</u>	<u>74,190</u>
Non-Controlling Interest	<u>2</u>	<u>21</u>
Total Equity	<u>77,027</u>	<u>74,211</u>
Non-current Liabilities		
Borrowings	4,810	5,096
Lease Liabilities	99	104
Deferred Taxation	1,532	1,532
	<u>6,441</u>	<u>6,732</u>
Current Liabilities		
Payables	13,190	15,075
Borrowings	6,712	7,214
Lease Liabilities	46	66
Tax Liabilities	221	25
	<u>20,169</u>	<u>22,380</u>
Total Liabilities	<u>26,610</u>	<u>29,112</u>
TOTAL EQUITY AND LIABILITIES	<u>103,637</u>	<u>103,323</u>
Net assets per share attributable to the owners of the parent (RM)	<u>0.77</u>	<u>0.74</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 June 2022)

**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 2022 (UNAUDITED)**

	CURRENT PERIOD TO DATE 30.09.2022 RM'000	PRECEDING PERIOD TO DATE 30.09.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	3,354	(1,347)
Adjustments for:-		
Depreciation of property, plant and equipment	580	585
Depreciation of right of use assets	24	24
Unrealised foreign exchange loss/(gain)	(666)	(65)
Interest expenses	149	135
Interest income	(33)	(24)
Property, plant and equipment written off	39	-
Gain on remeasurement of right of use assets	-	(3)
Loss/(Gain) on disposal of property, plant and equipment	(26)	(8)
Operating Profit/(Loss) Before Changes In Working Capital	3,421	(703)
Changes In Working Capital		
Inventories	3,517	2,505
Receivables	4,514	852
Payables	(1,887)	(2,108)
Cash generated from / (used in) operations	9,565	546
Interest expenses	(149)	(135)
Interest received	27	24
Tax paid	(261)	(253)
Net Cash Flows Generated From / (Used In) Operating Activities	9,182	182
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	45	8
Purchase of property, plant and equipment	(176)	(140)
Net Cash Flows Generated From / (Used In) Investing Activities	(131)	(132)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movements in short term borrowings	(520)	1,591
Repayment of term loan	(268)	-
Repayment of lease liabilities	(25)	(23)
Net Cash Flows Generated From / (Used In) Financing Activities	(813)	1,568
Net Change In Cash And Cash Equivalents	8,238	1,618
Effect of exchange rate changes	370	49
Cash And Cash Equivalents At Beginning Of Year	19,282	14,775
Cash And Cash Equivalents At End Of Period (Note 26)	27,890	16,442

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 30 June 2022)

**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 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						
30.09.2022						
Balance At Beginning Of Year	49,998	-	24,192	74,190	21	74,211
Total Comprehensive Income/ (Loss) For The Period	-	-	2,835	2,835	(19)	2,816
Balance At End Of Period	49,998	-	27,027	77,025	2	77,027
Preceding 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

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2022)



SHH RESOURCES HOLDINGS BERHAD

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 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 2022. 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 2022.

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 2022 except for those standards, amendments and IC interpretations which are effective from the annual period beginning 1 July 2022 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	25,117	-	-	25,117
Inter-segment sales	-	-	-	-
Total Revenue	25,117	-	-	25,117
Profit/ (Loss) before taxation	3,449	(97)	2	3,354
Total assets	105,507	12,887	(14,757)	103,637
Total liabilities	30,920	12,877	(17,187)	26,610

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 30.09.2022 RM'000	Current Year To Date 30.09.2022 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 substantial shareholders and directors of the Company.</p>	1,378	1,378
<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 substantial shareholders and directors of the Company.</p>	42	42

15 Review of performance

	Individual Quarter			Cumulative Quarter		
	30.09.2022 RM'000	30.09.2021 RM'000	Variance %	30.09.2022 RM'000	30.09.2021 RM'000	Variance %
Revenue	25,117	8,446	197.38	25,117	8,446	197.38
Gross profit/(loss)	5,095	200	2,447.50	5,095	200	2,447.50
Profit/(Loss) before interest and tax	3,503	(1,212)	(389.03)	3,503	(1,212)	(389.03)
Profit/(Loss) before taxation	3,354	(1,347)	(349.00)	3,354	(1,347)	(349.00)
Profit/(Loss) after taxation	2,816	(1,363)	(306.60)	2,816	(1,363)	(306.60)
Profit/(Loss) attributable to owners of the parent	2,835	(1,345)	(310.78)	2,835	(1,345)	(310.78)

For the current quarter under review, the Group's revenue has increased by 197.38% to RM25.12 million as compared to RM8.45 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 the implementation of FMCO in June 2021. As a result of the higher revenue, the Group has recorded a higher gross profit of RM5.10 million in the current quarter as compared to a gross profit of RM0.20 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 recorded a higher other operating income of RM1.47 million in the current quarter compared to RM0.07 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 RM3.35 million in the current quarter compared to a loss before tax of RM1.35 million in the preceding year's corresponding quarter.

16 Comparison with preceding quarter's result

	Current Quarter	Preceding Quarter	Variance %
	30.09.2022 RM'000	30-06-2022 RM'000	
Revenue	25,117	32,882	(23.61)
Gross profit/(loss)	5,095	6,455	(21.07)
Profit/(Loss) before interest and tax	3,503	4,192	(16.44)
Profit/(Loss) before taxation	3,354	4,051	(17.21)
Profit/(Loss) after taxation	2,816	3,529	(20.20)
Profit/(Loss) attributable to owners of the parent	2,835	3,550	(20.14)

The Group's revenue for the current quarter under review of RM25.12 million represents a decrease of 23.61% compared to RM32.88 million registered in the preceding quarter. The decrease were mainly due to the decrease of container shipments in the current quarter under review as customers were holding back shipments due to demand slowdown and over inventorised situation in the USA. Correspondingly, the Group has recorded a lower gross profit of RM5.10 million compared to a gross profit of RM6.46 million in the preceding quarter. However, Group has recorded a slight increase in gross profit margin of 20.3% in the current quarter compare to 19.6% in the preceding quarter due to the weakening of the Ringgit Malaysia against the US Dollar. The Group has recorded a higher other operating income of RM1.47 million in the current quarter compare to RM1.32 million in the preceding quarter due to higher foreign exchange gain in the current quarter. As a result of lower gross profit, the Group has recorded a lower profit before tax of RM3.35 million in the current quarter compared to profit before tax of RM4.05 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 transition phase to endemic, the shortage of labour and high raw material costs have resulted to higher operational costs. 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 have resulted to lower consumer's confidence and spending. With the demand slowdown, US importers are over inventorised and imports of furniture have in recent months contracted.

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	(33)	(33)
Other income	(70)	(70)
Interest expense	149	149
Depreciation of property, plant and equipment	580	580
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	(26)	(26)
Property, plant and equipment written off	39	39
Expenses relating to short-term lease	-	-
Foreign exchange loss/(gain)		
- Realised	(671)	(671)
- Unrealised	(666)	(666)
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	538	538
- Deferred taxation	-	-
	<u>538</u>	<u>538</u>
Adjustment in respect of prior year		
- Malaysian taxation	-	-
- Deferred taxation	-	-
	<u>-</u>	<u>-</u>
Total	<u>538</u>	<u>538</u>

The effective tax rate for the Group is lower than the statutory tax rate mainly due to the utilisation of capital allowances 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 30.09.2022					
	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	-	-	-	574	-	574
Term Loan	-	4,810	-	1,113	-	5,923
Unsecured						
Revolving loan	-	-	-	-	-	-
Bankers acceptance	-	-	-	5,025	-	5,025
Overdraft	-	-	-	-	-	-
Total	-	4,810	-	6,712	-	11,522
	Preceding Year Corresponding Quarter 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

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 30.09.2022 RM'000	Preceding period to date 30.09.2021 RM'000
Represented by:		
Deposits, cash and bank balances	28,660	17,199
Less:		
Deposits pledged to bank	(770)	(757)
	27,890	16,442

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 30.09.2022	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2021	CURRENT YEAR TO DATE 30.09.2022	PRECEDING YEAR CORRESPONDING PERIOD 30.09.2021
Net profit / (loss) for the period attributable to owners of the parent (RM'000)	2,835	(1,345)	2,835	(1,345)
Number of ordinary shares in issue ('000)	99,995	99,995	99,995	99,995
Basic earnings / (loss) per share (sen)	2.84	(1.35)	2.84	(1.35)

BY ORDER OF THE BOARD

Dato' Teo Wee Cheng
 Managing Director
 16 NOVEMBER 2022