


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 2023 (UNAUDITED)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.03.2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2022 RM'000	CURRENT YEAR TO DATE 31.03.2023 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2022 RM'000
Revenue	20,184	26,824	63,585	59,828
Cost of Sales	(16,612)	(21,276)	(50,786)	(49,530)
Gross Profit/(Loss)	3,572	5,548	12,799	10,298
Other Operating Income/ (Expenses)	414	184	1,517	518
Operating Expenses	(3,551)	(3,570)	(10,121)	(8,319)
Net Gain/(Loss) on Financial Assets and Financial Liabilities at Fair Value	-	-	-	-
Profit/(Loss) From Operations	435	2,162	4,195	2,497
Finance Cost	(157)	(144)	(452)	(427)
Share of Profits/ (Loss) of Associate Company	-	-	-	-
Profit/(Loss) Before Taxation	278	2,018	3,743	2,070
Taxation	(222)	(492)	(830)	(525)
Profit/(Loss) For The Period	56	1,526	2,913	1,545
Other Comprehensive Income/(Loss) For The Period				
Foreign Currency Translation	-	-	-	-
Total Comprehensive Income/(Loss) For The Period	56	1,526	2,913	1,545
Profit/(Loss) For The Period Attributable to:				
Owners of the parent	77	1,545	2,973	1,601
Non-controlling interest	(21)	(19)	(60)	(56)
	56	1,526	2,913	1,545
Total Comprehensive Income/(Loss) Attributable to:				
Owners of the parent	77	1,545	2,973	1,601
Non-controlling interest	(21)	(19)	(60)	(56)
	56	1,526	2,913	1,545
Earnings/(Loss) Per Share (sen):-				
(a) Basic (sen)	0.08	1.55	2.97	1.60
(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 31.03.2023 RM'000	(AUDITED) AS AT PRECEDING YEAR ENDED 30.06.2022 RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	32,679	33,778
Right of Use Assets	106	166
Investment in an Associated Company	459	459
	<u>33,244</u>	<u>34,403</u>
Current Assets		
Inventories	16,185	21,019
Inventories-property development cost	11,974	11,974
Receivables	9,020	15,617
Tax Assets	85	80
Investment in Subsidiary Company, held for distribution (Note 12)	178	178
Deposits, Cash and Bank Balances	29,052	20,052
	<u>66,494</u>	<u>68,920</u>
TOTAL ASSETS	<u>99,738</u>	<u>103,323</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share Capital	49,998	49,998
Retained Profits	27,165	24,192
	<u>77,163</u>	<u>74,190</u>
Non-Controlling Interest	<u>(39)</u>	<u>21</u>
Total Equity	<u>77,124</u>	<u>74,211</u>
Non-current Liabilities		
Borrowings	4,241	5,096
Lease Liabilities	89	104
Deferred Taxation	1,532	1,532
	<u>5,862</u>	<u>6,732</u>
Current Liabilities		
Payables	10,744	15,075
Borrowings	5,952	7,214
Lease Liabilities	20	66
Tax Liabilities	36	25
	<u>16,752</u>	<u>22,380</u>
Total Liabilities	<u>22,614</u>	<u>29,112</u>
TOTAL EQUITY AND LIABILITIES	<u>99,738</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 9 MONTHS PERIOD ENDED 31ST MARCH 2023 (UNAUDITED)**

	CURRENT PERIOD TO DATE 31.03.2023 RM'000	PRECEDING PERIOD TO DATE 31.03.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	3,743	2,070
Adjustments for:-		
Allowance for impairment loss on receivables	677	-
Depreciation of property, plant and equipment	1,728	1,755
Depreciation of right of use assets	60	72
Unrealised foreign exchange loss/(gain)	174	(47)
Interest expenses	452	427
Interest income	(224)	(51)
Property, plant and equipment written off	43	7
Gain on remeasurement of right of use assets	-	(3)
Loss/(Gain) on disposal of property, plant and equipment	(52)	(8)
Operating Profit/(Loss) Before Changes In Working Capital	6,601	4,222
Changes In Working Capital		
Inventories	4,834	1,380
Inventories-property development costs	-	(4)
Receivables	5,909	(4,980)
Payables	(4,325)	(1,868)
Cash generated from / (used in) operations	13,019	(1,250)
Interest expenses	(452)	(427)
Interest received/ Interest income	201	51
Tax paid	(824)	(493)
Net Cash Flows Generated From / (Used In) Operating Activities	11,944	(2,119)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	71	8
Purchase of property, plant and equipment	(692)	(345)
Net Cash Flows Generated From / (Used In) Investing Activities	(621)	(337)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movements in short term borrowings	(1,318)	1,824
Increase in fixed deposit pledged to bank	(14)	(13)
Repayment of term loan	(799)	-
Repayment of lease liabilities	(61)	(71)
Net Cash Flows Generated From / (Used In) Financing Activities	(2,192)	1,740
Net Change In Cash And Cash Equivalents	9,131	(716)
Effect of exchange rate changes	(145)	28
Cash And Cash Equivalents At Beginning Of Year	19,282	14,775
Cash And Cash Equivalents At End Of Period (Note 26)	28,268	14,087

(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 9 MONTHS PERIOD ENDED 31ST MARCH 2023 (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						
31.03.2023						
Balance At Beginning Of Year	49,998	-	24,192	74,190	21	74,211
Total Comprehensive Income/ (Loss) For The Period	-	-	2,973	2,973	(60)	2,913
Balance At End Of Period	49,998	-	27,165	77,163	(39)	77,124
Preceding Period To Date						
31.03.2022						
Balance At Beginning Of Year	49,998	-	19,042	69,040	98	69,138
Total Comprehensive Income/ (Loss) For The Period	-	-	1,601	1,601	(56)	1,545
Balance At End Of Period	49,998	-	20,643	70,641	42	70,683

(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 3RD QUARTER ENDED 31 MARCH 2023

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	63,585	-	-	63,585
Inter-segment sales	-	-	-	-
Total Revenue	63,585	-	-	63,585
Profit/ (Loss) before taxation	3,968	(296)	71	3,743
Total assets	102,309	12,914	(15,485)	99,738
Total liabilities	27,493	13,104	(17,983)	22,614

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. Ms. Pang Kah Man had been appointed to act as the Liquidator 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 31.03.2023 RM'000	Current Year To Date 31.03.2023 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 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>d) Both Teo Bok Yu and Teo Jin Yuan are the sons of Datin Teo Chan Huat, a substantial shareholder and director of the Company.</p> <p>e) Both Teo Bok Yu and Teo Jin Yuan are the sons of Dato' Teo Wee Cheng, a substantial shareholder of the Company.</p> <p>f) Both Teo Bok Yu and Teo Jin Yuan are also the brothers of Teo Chee Teng, the managing director of the Company.</p>	1,177	3,879
<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 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>d) Both Teo Bok Yu and Teo Jin Yuan are the sons of Datin Teo Chan Huat, a substantial shareholder and director of the Company.</p> <p>e) Both Teo Bok Yu and Teo Jin Yuan are the sons of Dato' Teo Wee Cheng, a substantial shareholder of the Company.</p> <p>f) Both Teo Bok Yu and Teo Jin Yuan are also the brothers of Teo Chee Teng, the managing director of the Company.</p>	48	108

15 Review of performance

	Individual Quarter			Cumulative Quarter		
	31.03.2023 RM'000	31.03.2022 RM'000	Variance %	31.03.2023 RM'000	31.03.2022 RM'000	Variance %
Revenue	20,184	26,824	(24.75)	63,585	59,828	6.28
Gross profit/(loss)	3,572	5,548	(35.62)	12,799	10,298	24.29
Profit/(Loss) before interest and tax	435	2,162	(79.88)	4,195	2,497	68.00
Profit/(Loss) before taxation	278	2,018	(86.22)	3,743	2,070	80.82
Profit/(Loss) after taxation	56	1,526	(96.33)	2,913	1,545	88.54
Profit/(Loss) attributable to owners of the parent	77	1,545	(95.02)	2,973	1,601	85.70

For the current quarter under review, the Group's revenue has decreased by 24.75% to RM20.18 million as compared to RM26.82 million in the preceding year's corresponding quarter. The decrease was mainly due to the decrease in orders from customers as a result of the slowdown in demand and the over inventorised situation in the USA. As a result of the lower revenue, the Group has recorded a lower gross profit of RM3.57 million in the current quarter as compared to a gross profit of RM5.55 million in the preceding year's corresponding quarter. Despite the weakening of the Ringgit Malaysia against the US Dollar in the current quarter, the Group achieved a lower gross profit margin of 17.70% compared to 20.68% in the preceding year's corresponding quarter due to the disproportionate increase in the labour and overhead costs as a result of the fixed nature of these expenses. The Group has recorded an other operating income of RM0.41 million in the current quarter compared to an other operating income of RM0.18 million in the preceding year's corresponding quarter due to the higher foreign exchange gain incurred in the current quarter. As a result of the lower gross profit, the Group has recorded a lower profit before tax of RM0.28 million in the current quarter compared to a profit before tax of RM2.02 million in the preceding year's corresponding quarter.

For the nine months period under review, the Group's revenue has increased by 6.28% to RM63.59 million as compared to the preceding year's corresponding period of RM59.83 million. As a result of the higher revenue, the Group has recorded a higher gross profit of RM12.80 million in the current nine months period compared to a gross profit of RM10.30 million in the preceding year's corresponding period. The increase in revenue and gross profit were mainly due to the weakening of Ringgit Malaysia against the US Dollar. The Group recorded a higher other operating income of RM1.52 million in the current nine months period compared to RM0.52 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. The Group recorded a higher operating expenses of RM10.12 million in the current 9 months period compared to RM8.32 million in the preceding year's corresponding period. The increase in operating expenses were mainly due to higher administrative salary and the allowance for impairment loss on receivables incurred in the current period. Despite the higher operating expenses, the Group has recorded a higher profit before tax of RM3.74 million in the current nine months period compared to a profit before tax of RM2.07 million in the preceding year corresponding period due to higher gross profit and other operating income.

16 Comparison with preceding quarter's result

	Current Quarter	Preceding Quarter	Variance %
	31.03.2023 RM'000	31-12-2022 RM'000	
Revenue	20,184	18,284	10.39
Gross profit/(loss)	3,572	4,132	(13.55)
Profit/(Loss) before interest and tax	435	257	69.26
Profit/(Loss) before taxation	278	111	150.45
Profit/(Loss) after taxation	56	41	36.59
Profit/(Loss) attributable to owners of the parent	77	61	26.23

The Group's revenue for the current quarter under review of RM20.18 million represents an increase of 10.39% compared to RM18.28 million registered in the preceding quarter. The increase were mainly due to the increase in orders from customers. However, the Group has recorded a lower gross profit of RM3.57 million compared to a gross profit of RM4.13 million in the preceding quarter. The lower gross profit were mainly due to the strengthening of the Ringgit Malaysia against the US Dollar. The Group has recorded an other operating income of RM0.41 million in the current quarter compare to an other operating expenses of RM0.36 million in the preceding quarter due to net foreign exchange loss incurred in the preceding quarter. Correspondingly, the Group has recorded a higher profit before tax of RM0.28 million in the current quarter compared to profit before tax of RM0.11 million in the preceding quarter.

17 Prospects

The current global economy is facing several challenges including high inflation rate, geopolitical tensions and risk of recession. The high inflation rate worldwide especially in the USA and major European economies have resulted in higher interest rate and this have affected consumers' confidence and spending. With the slowdown in demand, US importers are over inventorised and imports of furniture have contracted in recent months. While in Malaysia, the shortage of labour and high raw material costs have resulted to higher operational costs.

Given the uncertainties and challenges ahead, the Group will strives to remain resilient and continue with our efforts in controlling our operational costs and improving our operational efficiency to ensure our business viability. We will continue working closely with all stakeholders in ensuring stability in our supply chain, continuity of our manufacturing operations and 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	(89)	(224)
Other income	(42)	(141)
Interest expense	157	452
Depreciation of property, plant and equipment	575	1,728
Depreciation of right of use assets	12	60
Allowance for impairment loss on receivables	-	677
Loss/(gain) on disposal of property, plant and equipment	(5)	(52)
Property, plant and equipment written off	4	43
Foreign exchange loss/(gain)		
- Realised	(278)	(1,100)
- Unrealised	167	174
	<u>167</u>	<u>174</u>

20 Taxation

The taxation charged for the period under review comprised of :-

	Current Quarter RM'000	Year To Date RM'000
Current		
- Malaysian taxation	222	830
- Deferred taxation	-	-
	<u>222</u>	<u>830</u>
Adjustment in respect of prior year		
- Malaysian taxation	-	-
- Deferred taxation	-	-
	<u>-</u>	<u>-</u>
Total	<u>222</u>	<u>830</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 31.03.2023					
	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	-	-	-	1,856	-	1,856
Term Loan	-	4,241	-	1,150	-	5,391
Unsecured						
Revolving loan	-	-	-	-	-	-
Bankers acceptance	-	-	-	2,946	-	2,946
Overdraft	-	-	-	-	-	-
Total	-	4,241	-	5,952	-	10,193
	Preceding Year Corresponding Quarter 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
Secured						
Hire purchase	-	-	-	-	-	-
Bill payable	-	-	-	-	-	-
Bankers acceptance	-	-	-	510	-	510
Term Loan	-	5,257	-	1,113	-	6,370
Unsecured						
Revolving loan	-	-	-	-	-	-
Bankers acceptance	-	-	-	5,982	-	5,982
Overdraft	-	-	-	-	-	-
Total	-	5,257	-	7,605	-	12,862

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 31.03.2023 RM'000	Preceding period to date 31.03.2022 RM'000
Represented by:		
Deposits, cash and bank balances	29,052	14,857
Less:		
Deposits pledged to bank	(784)	(770)
	28,268	14,087

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 31.03.2023	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2022	CURRENT YEAR TO DATE 31.03.2023	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2022
Net profit / (loss) for the period attributable to owners of the parent (RM'000)	77	1,545	2,973	1,601
Number of ordinary shares in issue ('000)	99,995	99,995	99,995	99,995
Basic earnings / (loss) per share (sen)	0.08	1.55	2.97	1.60

BY ORDER OF THE BOARD

Pang Kah Man
Company Secretary
26 MAY 2023