

**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 2023 (UNAUDITED)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.06.2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2022 RM'000	CURRENT YEAR TO DATE 30.06.2023 RM'000	(AUDITED) PRECEDING YEAR CORRESPONDING PERIOD 30.06.2022 RM'000
Revenue	19,443	32,882	83,028	92,710
Cost of Sales	(15,436)	(26,427)	(66,222)	(75,957)
Gross Profit/(Loss)	4,007	6,455	16,806	16,753
Other Operating Income/ (Expenses)	764	1,319	2,281	1,837
Operating Expenses	(3,371)	(3,495)	(13,492)	(11,815)
Net Gain/(Loss) on Financial Assets and Financial Liabilities at Fair Value	-	-	-	-
Profit/(Loss) From Operations	1,400	4,279	5,595	6,775
Finance Cost	(139)	(141)	(591)	(568)
Share of Profits/ (Loss) of Associate Company	63	(87)	63	(87)
Profit/(Loss) Before Taxation	1,324	4,051	5,067	6,120
Taxation	(744)	(522)	(1,574)	(1,047)
Profit/(Loss) For The Period	580	3,529	3,493	5,073
Other Comprehensive Income/(Loss) For The Period				
Foreign Currency Translation	-	-	-	-
Total Comprehensive Income/(Loss) For The Period	580	3,529	3,493	5,073
Profit/(Loss) For The Period Attributable to:				
Owners of the parent	741	3,550	3,714	5,150
Non-controlling interest	(161)	(21)	(221)	(77)
	580	3,529	3,493	5,073
Total Comprehensive Income/(Loss) Attributable to:				
Owners of the parent	741	3,550	3,714	5,150
Non-controlling interest	(161)	(21)	(221)	(77)
	580	3,529	3,493	5,073
Earnings/(Loss) Per Share (sen):-				
(a) Basic (sen)	0.74	3.55	3.71	5.15
(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 30.06.2023 RM'000	(AUDITED) AS AT PRECEDING YEAR ENDED 30.06.2022 RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	32,139	33,778
Right of Use Assets	101	166
Inventories-Development Properties	11,263	-
Investment in an Associated Company	551	459
	<u>44,054</u>	<u>34,403</u>
Current Assets		
Inventories	14,679	21,019
Inventories-Development Properties	-	11,974
Receivables	8,511	15,617
Tax Assets	-	80
Investment in Subsidiary Company, held for distribution (Note 12)	178	178
Deposits, Cash and Bank Balances	31,758	20,052
	<u>55,126</u>	<u>68,920</u>
TOTAL ASSETS	<u>99,180</u>	<u>103,323</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share Capital	49,998	49,998
Retained Profits	27,906	24,192
	<u>77,904</u>	<u>74,190</u>
Non-Controlling Interest	<u>(200)</u>	<u>21</u>
Total Equity	<u>77,704</u>	<u>74,211</u>
Non-current Liabilities		
Borrowings	3,985	5,096
Lease Liabilities	84	104
Deferred Taxation	1,677	1,532
	<u>5,746</u>	<u>6,732</u>
Current Liabilities		
Payables	9,714	15,075
Borrowings	5,728	7,214
Lease Liabilities	20	66
Tax Liabilities	268	25
	<u>15,730</u>	<u>22,380</u>
Total Liabilities	<u>21,476</u>	<u>29,112</u>
TOTAL EQUITY AND LIABILITIES	<u>99,180</u>	<u>103,323</u>
Net assets per share attributable to the owners of the parent (RM)	<u>0.78</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 12 MONTHS PERIOD ENDED 30TH JUNE 2023 (UNAUDITED)**

	CURRENT PERIOD TO DATE 30.06.2023 RM'000	(AUDITED) PRECEDING PERIOD TO DATE 30.06.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	5,067	6,120
Adjustments for:-		
Allowance for impairment loss on receivables	677	-
Depreciation of property, plant and equipment	2,303	2,340
Depreciation of right of use assets	65	97
Development properties written down	711	-
Unrealised foreign exchange loss/(gain)	(136)	(185)
Interest expenses	591	568
Interest income	(344)	(68)
Property, plant and equipment written off	44	12
Gain on remeasurement of right of use assets	-	(4)
Loss/(Gain) on disposal of property, plant and equipment	(52)	(8)
Share of associate company (profit)/loss	(63)	87
Operating Profit/(Loss) Before Changes In Working Capital	<u>8,863</u>	<u>8,959</u>
Changes In Working Capital		
Inventories	6,310	8,030
Inventories-development properties	-	(3)
Receivables	6,537	(10,831)
Payables	(5,372)	(1,274)
Cash generated from / (used in) operations	<u>16,338</u>	<u>4,881</u>
Interest expenses	(591)	(568)
Interest received/ Interest income	305	63
Tax paid	(1,106)	(664)
Tax refund	-	142
Net Cash Flows Generated From / (Used In) Operating Activities	<u>14,946</u>	<u>3,854</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	71	8
Purchase of property, plant and equipment	(726)	(427)
Net cash outflow upon de-consolidation of a subsidiary company (Note 12)	-	(178)
Net Cash Flows Generated From / (Used In) Investing Activities	<u>(655)</u>	<u>(597)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movements in short term borrowings	(1,524)	1,451
Increase in fixed deposit pledged to bank	(14)	(13)
Repayment of term loan	(1,072)	(179)
Repayment of lease liabilities	(66)	(98)
Net Cash Flows Generated From / (Used In) Financing Activities	<u>(2,676)</u>	<u>1,161</u>
Net Change In Cash And Cash Equivalents	11,615	4,418
Effect of exchange rate changes	77	89
Cash And Cash Equivalents At Beginning Of Year	<u>19,282</u>	<u>14,775</u>
Cash And Cash Equivalents At End Of Period (Note 26)	<u>30,974</u>	<u>19,282</u>

(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 12 MONTHS PERIOD ENDED 30TH JUNE 2023 (UNAUDITED)**

	← Attributable to owners of the parent →			Total	Non-Controlling Interest	Total Equity
	Non-distributable		Distributable			
	Share Capital	Foreign Exchange Reserve	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current Period To Date						
30.06.2023						
Balance At Beginning Of Year	49,998	-	24,192	74,190	21	74,211
Total Comprehensive Income/ (Loss) For The Period	-	-	3,714	3,714	(221)	3,493
Balance At End Of Period	49,998	-	27,906	77,904	(200)	77,704
Preceding Period To Date						
30.06.2022 (Audited)						
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

(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 4TH QUARTER ENDED 30 JUNE 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	Property Development	Consolidated Adjustments & Eliminations	Total
	RM'000	RM'000	RM'000	RM'000
Sales to external customers	83,028	-	-	83,028
Inter-segment sales	-	-	-	-
Total Revenue	83,028	-	-	83,028
Profit/ (Loss) before taxation	5,933	(1,101)	235	5,067
Total assets	103,135	12,208	(16,163)	99,180
Total liabilities	27,062	13,205	(18,791)	21,476

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 30.06.2023 RM'000	Current Year To Date 30.06.2023 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>	1,000	4,879
<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>	6	114
<p>(c) Consultancy fee paid by Kurnia Sejati Sdn Bhd to Dato' Teo Wee Cheng</p>	<p>a) Dato' Teo Wee Cheng is a substantial shareholder of the Company.</p> <p>b) He is the spouse of Datin Teo Chan Huat, a substantial shareholder and director of the Company and the father of Teo Chee Teng, the managing director of the Company.</p>	116	116

15 Review of performance

	Individual Quarter			Cumulative Quarter		
	30.06.2023 RM'000	30.06.2022 RM'000	Variance %	30.06.2023 RM'000	30.06.2022 RM'000	Variance %
Revenue	19,443	32,882	(40.87)	83,028	92,710	(10.44)
Gross profit/(loss)	4,007	6,455	(37.92)	16,806	16,753	0.32
Profit/(Loss) before interest and tax	1,463	4,192	(65.10)	5,658	6,688	(15.40)
Profit/(Loss) before taxation	1,324	4,051	(67.32)	5,067	6,120	(17.21)
Profit/(Loss) after taxation	580	3,529	(83.56)	3,493	5,073	(31.15)
Profit/(Loss) attributable to owners of the parent	741	3,550	(79.13)	3,714	5,150	(27.88)

For the current quarter under review, the Group's revenue has decreased by 40.87% to RM19.44 million as compared to RM32.88 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 RM4.01 million in the current quarter as compared to a gross profit of RM6.46 million in the preceding year's corresponding quarter. Despite the lower revenue in the current quarter, the Group achieved a higher gross profit margin of 20.61% compared to 19.63% in the preceding year's corresponding quarter due to the efforts by the Group in controlling its cost of materials and the weakening of the Ringgit Malaysia against the US Dollar. The Group has recorded a lower other operating income of RM0.76 million in the current quarter compared to an other operating income of RM1.32 million in the preceding year's corresponding quarter. Included in the operating expenses in the current quarter is the property development cost written down of RM0.71 million due to the expiration of the development order. Correspondingly, the Group has recorded a lower profit before tax of RM1.32 million in the current quarter compared to a profit before tax of RM4.05 million in the preceding year's corresponding quarter.

For the twelve months period under review, the Group's revenue has decreased by 10.44% to RM83.03 million as compared to the preceding year's corresponding period of RM92.71 million. The decrease was mainly due to the decrease in order from customers as a result of slow down in demand and the over inventoried situation in the USA. Despite the lower revenue, the Group has recorded a slight increase in gross profit of RM16.81 million in the current twelve months period compared to a gross profit of RM16.75 million in the preceding year's corresponding period. The increase in gross profit were mainly due to efforts by the Group in controlling its cost of materials and the weakening of Ringgit Malaysia against the US Dollar. The Group recorded a higher other operating income of RM2.28 million in the current twelve months period compared to RM1.84 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 RM13.49 million in the current 12 months period compared to RM11.82 million in the preceding year's corresponding period. The increase in operating expenses were mainly due to higher administrative salary, the allowance for impairment loss on receivables of RM0.68 million and the property development cost written down of RM0.71 million incurred in the current period. As a result of the higher operating expenses, the Group has recorded a lower profit before tax of RM5.07 million in the current twelve months period compared to a profit before tax of RM6.12 million in the preceding year corresponding period.

16 Comparison with preceding quarter's result

	Current Quarter	Preceding Quarter	Variance %
	30.06.2023 RM'000	31-03-2023 RM'000	
Revenue	19,443	20,184	(3.67)
Gross profit/(loss)	4,007	3,572	12.18
Profit/(Loss) before interest and tax	1,463	435	236.32
Profit/(Loss) before taxation	1,324	278	376.26
Profit/(Loss) after taxation	580	56	935.71
Profit/(Loss) attributable to owners of the parent	741	77	862.34

The Group's revenue for the current quarter under review of RM19.44 million represents a slight decrease of 3.67% compared to RM20.18 million registered in the preceding quarter. The decrease were mainly due to the decrease in orders from customers. However, the Group has recorded a higher gross profit of RM4.01 million compared to a gross profit of RM3.57 million in the preceding quarter. The higher gross profit were mainly due to efforts by the Group in controlling its cost of materials and the weakening of the Ringgit Malaysia against the US Dollar. The Group has recorded an other operating income of RM0.76 million in the current quarter compare to an other operating income of RM0.41 million in the preceding quarter due to higher foreign exchange gain incurred in the current quarter. Correspondingly, the Group has recorded a higher profit before tax of RM1.32 million in the current quarter compared to profit before tax of RM0.28 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 inventoried 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	(120)	(344)
Other income	(20)	(161)
Interest expense	139	591
Depreciation of property, plant and equipment	575	2,303
Depreciation of right of use assets	5	65
Allowance for impairment loss on receivables	-	677
Property development cost written down	711	711
Loss/(gain) on disposal of property, plant and equipment	(5)	(52)
Property, plant and equipment written off	1	44
Foreign exchange loss/(gain)		
- Realised	(481)	(1,581)
- Unrealised	(310)	(136)
Fair value loss/(gain) on derivative financial instruments		
- Realised	(7)	(7)

20 Taxation

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

	Current Quarter RM'000	Year To Date RM'000
Current		
- Malaysian taxation	644	1,474
- Deferred taxation	(45)	(45)
	<u>599</u>	<u>1,429</u>
Adjustment in respect of prior year		
- Malaysian taxation	171	171
- Deferred taxation	(26)	(26)
	<u>145</u>	<u>145</u>
Total	<u>744</u>	<u>1,574</u>

The effective tax rate for the Group is higher than the statutory tax rate mainly due to losses incurred in some of the subsidiaries of the Group which cannot be off-set in the profitable subsidiaries.

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 30.06.2023					
	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	-	-	-	1,408	-	1,408
Term Loan	-	3,985	-	1,133	-	5,118
Unsecured						
Revolving loan	-	-	-	-	-	-
Bankers acceptance	-	-	-	3,187	-	3,187
Overdraft	-	-	-	-	-	-
Total	-	3,985	-	5,728	-	9,713
	Preceding Year Corresponding Quarter 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

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 30.06.2023 RM'000	Preceding period to date 30.06.2022 RM'000
Represented by:		
Deposits, cash and bank balances	31,758	20,052
Less:		
Deposits pledged to bank	(784)	(770)
	30,974	19,282

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 30.06.2023	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2022	CURRENT YEAR TO DATE 30.06.2023	PRECEDING YEAR CORRESPONDING PERIOD 30.06.2022
Net profit / (loss) for the period attributable to owners of the parent (RM'000)	741	3,550	3,714	5,150
Number of ordinary shares in issue ('000)	99,995	99,995	99,995	99,995
Basic earnings / (loss) per share (sen)	0.74	3.55	3.71	5.15

BY ORDER OF THE BOARD

Pang Kah Man
Company Secretary
29 AUGUST 2023