

**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 2023 (UNAUDITED)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
Revenue	21,638	25,117	21,638	25,117
Cost of Sales	(17,211)	(20,022)	(17,211)	(20,022)
Gross Profit/(Loss)	4,427	5,095	4,427	5,095
Other Operating Income/ (Expenses)	600	1,466	600	1,466
Operating Expenses	(2,771)	(3,058)	(2,771)	(3,058)
Profit/(Loss) From Operations	2,256	3,503	2,256	3,503
Finance Cost	(134)	(149)	(134)	(149)
Profit/(Loss) Before Taxation	2,122	3,354	2,122	3,354
Taxation	(533)	(538)	(533)	(538)
Profit/(Loss) For The Period	1,589	2,816	1,589	2,816
Other Comprehensive Income/(Loss) For The Period				
Foreign Currency Translation	-	-	-	-
Total Comprehensive Income/(Loss) For The Period	1,589	2,816	1,589	2,816
Profit/(Loss) For The Period Attributable to:				
Owners of the parent	1,607	2,835	1,607	2,835
Non-controlling interest	(18)	(19)	(18)	(19)
	1,589	2,816	1,589	2,816
Total Comprehensive Income/(Loss) Attributable to:				
Owners of the parent	1,607	2,835	1,607	2,835
Non-controlling interest	(18)	(19)	(18)	(19)
	1,589	2,816	1,589	2,816
Earnings/(Loss) Per Share (sen):-				
(a) Basic (sen)	1.61	2.84	1.61	2.84
(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 2023)

**SHH RESOURCES HOLDINGS BERHAD**

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	AS AT CURRENT QUARTER ENDED 30.09.2023 RM'000	(AUDITED) AS AT PRECEDING YEAR ENDED 30.06.2023 RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	31,614	32,139
Right of Use Assets	96	101
Inventories-Development Properties	11,263	11,263
Investment in an Associated Company	551	551
	<u>43,524</u>	<u>44,054</u>
Current Assets		
Inventories	11,902	14,679
Receivables	7,805	8,511
Investment in Subsidiary Company, held for distribution (Note 12)	178	178
Deposits, Cash and Bank Balances	37,988	31,758
	<u>57,873</u>	<u>55,126</u>
TOTAL ASSETS	<u>101,397</u>	<u>99,180</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share Capital	49,998	49,998
Retained Profits	29,513	27,906
	<u>79,511</u>	<u>77,904</u>
Non-Controlling Interest	<u>(218)</u>	<u>(200)</u>
Total Equity	<u>79,293</u>	<u>77,704</u>
Non-current Liabilities		
Borrowings	3,689	3,985
Lease Liabilities	78	84
Deferred Taxation	1,677	1,677
	<u>5,444</u>	<u>5,746</u>
Current Liabilities		
Payables	11,053	9,714
Borrowings	4,991	5,728
Lease Liabilities	20	20
Tax Liabilities	596	268
	<u>16,660</u>	<u>15,730</u>
Total Liabilities	<u>22,104</u>	<u>21,476</u>
TOTAL EQUITY AND LIABILITIES	<u>101,397</u>	<u>99,180</u>
Net assets per share attributable to the owners of the parent (RM)	<u>0.80</u>	<u>0.78</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 June 2023)

**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 2023 (UNAUDITED)**

	CURRENT PERIOD TO DATE 30.09.2023 RM'000	PRECEDING PERIOD TO DATE 30.09.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	2,122	3,354
Adjustments for:-		
Depreciation of property, plant and equipment	575	580
Depreciation of right of use assets	5	24
Unrealised foreign exchange loss/(gain)	(60)	(666)
Interest expenses	134	149
Interest income	(181)	(33)
Property, plant and equipment written off	6	39
Loss/(Gain) on disposal of property, plant and equipment	-	(26)
Operating Profit/(Loss) Before Changes In Working Capital	<u>2,601</u>	<u>3,421</u>
Changes In Working Capital		
Inventories	2,777	3,517
Receivables	839	4,514
Payables	1,338	(1,887)
Cash generated from / (used in) operations	<u>7,555</u>	<u>9,565</u>
Interest expenses	(134)	(149)
Interest received/ Interest income	78	27
Tax paid	(205)	(261)
Net Cash Flows Generated From / (Used In) Operating Activities	<u>7,294</u>	<u>9,182</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	45
Purchase of property, plant and equipment	(56)	(176)
Net Cash Flows Generated From / (Used In) Investing Activities	<u>(56)</u>	<u>(131)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movements in short term borrowings	(758)	(520)
Repayment of term loan	(275)	(268)
Repayment of lease liabilities	(5)	(25)
Net Cash Flows Generated From / (Used In) Financing Activities	<u>(1,038)</u>	<u>(813)</u>
Net Change In Cash And Cash Equivalents	<u>6,200</u>	<u>8,238</u>
Effect of exchange rate changes	30	370
Cash And Cash Equivalents At Beginning Of Year	<u>30,974</u>	<u>19,282</u>
Cash And Cash Equivalents At End Of Period (Note 26)	<u>37,204</u>	<u>27,890</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 30 June 2023)

**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 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						
30.09.2023						
Balance At Beginning Of Year	49,998	-	27,906	77,904	(200)	77,704
Total Comprehensive Income/ (Loss) For The Period	-	-	1,607	1,607	(18)	1,589
Balance At End Of Period	49,998	-	29,513	79,511	(218)	79,293
Preceding 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

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2023)



SHH RESOURCES HOLDINGS BERHAD

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 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 2023. 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 2023.

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 2023 except for those standards, amendments and IC interpretations which are effective from the annual period beginning 1 July 2023 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	21,638	-	-	21,638
Inter-segment sales	-	-	-	-
Total Revenue	21,638	-	-	21,638
Profit/ (Loss) before taxation	2,212	(87)	(3)	2,122
Total assets	105,689	12,212	(16,504)	101,397
Total liabilities	27,936	13,298	(19,130)	22,104

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 30.09.2023 RM'000	Current Year To Date 30.09.2023 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>	1,443	1,443
<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>	7	7
<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>	87	87

15 Review of performance

	Individual Quarter			Cumulative Quarter		
	30.09.2023 RM'000	30.09.2022 RM'000	Variance %	30.09.2023 RM'000	30.09.2022 RM'000	Variance %
Revenue	21,638	25,117	(13.85)	21,638	25,117	(13.85)
Gross profit/(loss)	4,427	5,095	(13.11)	4,427	5,095	(13.11)
Profit/(Loss) before interest and tax	2,256	3,503	(35.60)	2,256	3,503	(35.60)
Profit/(Loss) before taxation	2,122	3,354	(36.73)	2,122	3,354	(36.73)
Profit/(Loss) after taxation	1,589	2,816	(43.57)	1,589	2,816	(43.57)
Profit/(Loss) attributable to owners of the parent	1,607	2,835	(43.32)	1,607	2,835	(43.32)

For the current quarter under review, the Group's revenue has decreased by 13.85% to RM21.64 million as compared to RM25.12 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. Correspondingly, the Group has recorded a lower gross profit of RM4.43 million in the current quarter as compared to a gross profit of RM5.10 million in the preceding year's corresponding quarter. Despite the lower revenue in the current quarter, the Group has recorded a slight increase in gross profit margin of 20.46% compared to 20.29% 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 RM0.60 million in the current quarter compared to an other operating income of RM1.47 million in the preceding year's corresponding quarter due to the lower foreign exchange gain incurred in the current quarter. As a result of lower gross profit and other operating income, the Group has recorded a lower profit before tax of RM2.12 million in the current quarter compared to a profit before tax of RM3.35 million in the preceding year's corresponding quarter.

16 Comparison with preceding quarter's result

	Current Quarter	Preceding Quarter	Variance %
	30.09.2023 RM'000	30-06-2023 RM'000	
Revenue	21,638	19,443	11.29
Gross profit/(loss)	4,427	4,007	10.48
Profit/(Loss) before interest and tax	2,256	1,463	54.20
Profit/(Loss) before taxation	2,122	1,324	60.27
Profit/(Loss) after taxation	1,589	580	173.97
Profit/(Loss) attributable to owners of the parent	1,607	741	116.87

The Group's revenue for the current quarter under review of RM21.64 million represents an increase of 11.29% compared to RM19.44 million registered in the preceding quarter. The increase were mainly due to the increase in shipment of orders from customers. Correspondingly, the Group has recorded a higher gross profit of RM4.43 million compared to a gross profit of RM4.01 million in the preceding quarter. However, the Group has recorded a slight decrease in the gross profit margin of 20.46% in the current quarter compare to 20.61% in the preceding quarter. The Group has recorded a lower other operating income of RM0.60 million in the current quarter compare to another operating income of RM0.76 million in the preceding quarter due to lower foreign exchange gain incurred in the current quarter. The Group has also recorded a lower operating expenses in the current quarter due to the property development cost written down of RM0.71 million in the preceding quarter. As a result of higher gross profit and lower operating expenses, the Group has recorded a higher profit before tax of RM2.12 million in the current quarter compared to profit before tax of RM1.32 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, USA importers and retailers have been scaling back orders and clearing off their excess inventories. While in Malaysia, the increase in labour cost 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	(181)	(181)
Other income	(35)	(35)
Interest expense	134	134
Depreciation of property, plant and equipment	575	575
Depreciation of right of use assets	5	5
Property, plant and equipment written off	6	6
Foreign exchange loss/(gain)		
- Realised	(324)	(324)
- Unrealised	(60)	(60)

20 Taxation

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

	Current Quarter RM'000	Year To Date RM'000
Current		
- Malaysian taxation	533	533
- Deferred taxation	-	-
	<u>533</u>	<u>533</u>
Adjustment in respect of prior year		
- Malaysian taxation	-	-
- Deferred taxation	-	-
	<u>-</u>	<u>-</u>
Total	<u>533</u>	<u>533</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 30.09.2023					
	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	-	-	-	1,430	-	1,430
Term Loan	-	3,689	-	1,154	-	4,843
Unsecured						
Revolving loan	-	-	-	-	-	-
Bankers acceptance	-	-	-	2,407	-	2,407
Overdraft	-	-	-	-	-	-
Total	-	3,689	-	4,991	-	8,680
	Preceding Year Corresponding Quarter 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

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 30.09.2023 RM'000	Preceding period to date 30.09.2022 RM'000
Represented by: Deposits, cash and bank balances	37,988	28,660
Less: Deposits pledged to bank	(784)	(770)
	37,204	27,890

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 30.09.2023	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2022	CURRENT YEAR TO DATE 30.09.2023	PRECEDING YEAR CORRESPONDING PERIOD 30.09.2022
Net profit / (loss) for the period attributable to owners of the parent (RM'000)	1,607	2,835	1,607	2,835
Number of ordinary shares in issue ('000)	99,995	99,995	99,995	99,995
Basic earnings / (loss) per share (sen)	1.61	2.84	1.61	2.84

BY ORDER OF THE BOARD

Pang Kah Man
Company Secretary
21 NOVEMBER 2023