

TASHIN HOLDINGS BERHAD (REG NO.: 201701028709 (1242878-H))
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020⁽¹⁾

		Individual Quarter		Cumulative Quarter	
		Current Year Quarter 01.10.2020 to 31.12.2020 RM'000	Preceding year Corresponding Quarter 01.10.2019 to 31.12.2019 RM'000	Current Year To-date 01.01.2020 to 31.12.2020 RM'000	Preceding year Corresponding Period 01.01.2019 to 31.12.2019 RM'000
	Note				
Revenue	A9	74,420	64,284	239,145	238,179
Cost of sales		(62,734)	(63,047)	(216,052)	(224,733)
Gross profit ("GP")		11,686	1,237	23,093	13,446
Other operating income		1,068	498	2,258	3,038
Operating expenses		(4,310)	(4,208)	(12,803)	(13,976)
Profit/(Loss) from operation		8,444	(2,473)	12,548	2,508
Finance costs		(143)	(352)	(1,465)	(1,517)
Interest income		163	267	936	501
Profit/(Loss) before tax ("PBT"/("LBT"))	B12	8,464	(2,558)	12,019	1,492
Tax expenses	B6	(2,002)	437	(2,751)	(1,094)
Profit/(Loss) after tax ("PAT"/("LAT"))		6,462	(2,121)	9,268	398
Profit/(Loss) for the financial period attributable to:					
- Owners of the Company		6,462	(2,121)	9,268	398
Total Comprehensive income/(loss) for the financial period attributable to:					
- Owners of the Company		6,462	(2,121)	9,268	398
Earnings per share attributable to owners of the Company					
- Basic (sen) ⁽²⁾	B11	1.85	(0.61)	2.66	0.12
- Diluted (sen) ⁽³⁾	B11	1.85	(0.61)	2.66	0.12

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.
- (2) Based on weighted average number of ordinary shares outstanding during the period under review.
- (3) Diluted earnings per share of the Company for the individual quarter ended 31 December 2020 and cumulative quarter is equivalent to the basic earnings per share as the Company does not have any convertible options as at the end of the reporting period.

TASHIN HOLDINGS BERHAD (REG NO.: 201701028709 (1242878-H))
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020⁽¹⁾

	UNAUDITED AS AT 31.12.2020 RM'000	AUDITED AS AT 31.12.2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	68,804	70,719
Total non-current assets	68,804	70,719
Current assets		
Inventories	70,300	85,878
Trade receivables	64,150	56,206
Other receivables	1,016	1,762
Current tax assets	-	747
Cash and bank balances	42,983	37,895
Total current assets	178,449	182,488
TOTAL ASSETS	247,253	253,207
EQUITY AND LIABILITIES		
Equity		
Share Capital	179,242	179,242
Reserves	18,116	8,848
Total Equity	197,358	188,090
Liabilities		
Non-current liabilities		
Lease liability	110	42
Deferred tax liabilities	9,968	10,475
Total non-current liabilities	10,078	10,517
Current liabilities		
Trade payables	8,986	14,354
Other payables	3,640	3,906
Derivate liabilities	13	77
Borrowings	25,603	36,125
Current tax liabilities	1,446	-
Lease liabilities	129	138
Total current liabilities	39,817	54,600
TOTAL LIABILITIES	49,895	65,117
TOTAL EQUITY AND LIABILITIES	247,253	253,207
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.57	0.54

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

TASHIN HOLDINGS BERHAD (REG NO.: 201701028709 (1242878-H))
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020⁽¹⁾

	Attributable to owners of the parent				
	----- Non-distributable -----			Distributable	Total Equity RM'000
	<u>Share Capital</u> RM'000	<u>Merger Reserve</u> RM'000	<u>Revaluation Reserve</u> RM'000	<u>Retained Earnings</u> RM'000	
As at 1.1.2019	20,000	-	20,494	115,289	
Adjustments on initial application MFRS16	-	-	-	(2)	(2)
As at 1.1.2019 (Restatement)	20,000	-	20,494	115,287	155,781
Total comprehensive income	-	-	-	398	398
Transfer due to crystallisation of revaluation reserves	-	-	(653)	653	-
Transactions with owners					
Dividends paid	-	-	-	(2,500)	(2,500)
Issuance of shares by the Company pursant to be acquisition of Tashin Steel Sdn Bhd	144,831	-	-	-	144,831
- Public issue on 1.8.2019	34,411	-	-	-	34,411
Adjustment on the acquisition of Tashin Steel Sdn Bhd	(20,000)	(124,831)	-	-	(144,831)
As at 31.12.2019	179,242	(124,831)	19,841	113,838	188,090
As at 1.1.2020	179,242	(124,831)	19,841	113,838	188,090
Total comprehensive income	-	-	-	9,268	9,268
Transfer due to crystallisation of revaluation reserves	-	-	(665)	665	-
As at 31.12.2020	179,242	(124,831)	19,176	123,771	197,358

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

TASHIN HOLDINGS BERHAD (REG NO.: 201701028709 (1242878-H))
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020⁽¹⁾

	Unaudited 31.12.2020 RM'000	Audited 31.12.2019 RM'000
Cash Flows From Operating Activities		
Profit before tax	12,019	1,492
Adjustments for:		
Non-cash items	3,871	2,682
Non-operating items	529	1,016
Operating profit before working capital changes	16,419	5,190
Net change in current assets	8,095	(28,147)
Net change in current liabilities	(5,634)	196
Tax paid	(1,065)	(2,150)
Net cash from/(used in) operating activities	17,815	(24,911)
Cash Flows From Investing Activities		
Interest received	936	501
Purchases of property, plant and equipment	(1,480)	(780)
Net cash used in investing activities	(544)	(279)
Cash Flows From Financing Activities		
Proceeds from issuance of shares	-	34,411
Repayment of lease liabilities	(207)	(180)
(Repayment) / Drawdown of borrowings	(10,522)	18,027
Interest paid	(1,454)	(1,496)
Dividend paid	-	(2,500)
Net cash (used in)/from financing activities	(12,183)	48,262
Net increase in cash and cash equivalents	5,088	23,072
Cash and cash equivalents at the beginning of the financial year	37,895	14,823
Cash and cash equivalents at the end of the financial period	42,983	37,895

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

TASHIN HOLDINGS BERHAD (REG NO.: 201701028709 (1242878-H))

A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

The interim financial report of Tashin Holdings Berhad (“TASHIN” or “the Company”) and its subsidiaries (“the Group”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) No. 134: Interim Financial Reporting and Rule 9.22 of Listing Requirements.

This interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying notes attached to this interim financial report.

A2. Summary of Significant Accounting Policies

- (a) The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted as disclosed in the audited financial statements for the financial year ended 31 December 2019, except for the adoption of the following MFRSs, Amendments to MFRSs and new Interpretations effective for the financial periods beginning on or after 1 January 2020.

<u>Title</u>	<u>Effective date</u>
Amendments to <i>References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 101 and MFRS 108 <i>Definition of Material</i>	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 <i>Interest Rate Bench Mark Reform</i>	1 January 2020
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 101 <i>Classification of liabilities as Current or Non-Current</i>	1 January 2022
Amendments to MFRS 10 and MFRS128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The above standards, amendments and annual improvements do not have significant impact on the financial reporting of the Group.

A3. Auditors’ report on preceding annual financial statements

The auditors’ report for the financial year ended 31 December 2019 of Tashin Group was not subject to any qualification.

A4. Seasonal or cyclical factors

The Group faces minor seasonal fluctuations during the major festive seasons celebrations.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial period-to-date.

A6. Material changes in estimates

There were no significant changes in the estimates of amount, which give a material effect in the current financial quarter under review.

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A7. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayment of debts and equity securities during the financial quarter under review.

A8. Dividends paid

There was no dividend paid during the current financial quarter under review.

A9. Segmental information

a) Operating Segments

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment.

b) Geographical Segment

No segmental information is provided on a geographical basis as the Group's activities are conducted primarily in Malaysia.

A10. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current financial quarter under review.

A11. Material events subsequent to the end of the current financial quarter

There were no other material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

A12. Changes in the composition of the Group

There were no material changes in the composition of the Group for the current financial period-to-date under review.

A13. Contingent liabilities

There were no material changes to the contingent liabilities since the date of last annual financial statements.

A14. Capital commitments

Save as disclosed below, as at 31 December 2020, the Group does not have any other material capital commitment:

	RM'000
Capital expenditure in respect of purchase of property, plant & equipment	
- Approved but not contracted for	24,590
- Contracted but not provided for	3,124
	27,714

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Performance of the company and its principal subsidiaries for the current quarter and financial year-to-date (“YTD”)

	Individual Quarter		Increase/ (Decrease)		Cumulative Quarter		Increase/ (Decrease)	
	Current Year Quarter 01.10.2020 to 31.12.2020 RM'000	Preceding Year Corresponding Quarter 01.10.2019 to 31.12.2019 RM'000	RM'000	%	Current Year To-Date 01.01.2020 to 31.12.2020 RM'000	Preceding Year Corresponding Period 01.01.2019 to 31.12.2019 RM'000	RM'000	%
Revenue	74,420	64,284	10,136	15.77	239,145	238,179	966	0.41
Profit/(Loss) from operation	8,444	(2,473)	10,917	441.45	12,548	2,508	10,040	400.32
Profit/(Loss) before tax	8,464	(2,558)	11,022	430.88	12,019	1,492	10,527	705.56
Profit/(Loss) for the period	6,462	(2,121)	8,583	404.67	9,268	398	8,870	2,228.64

Compared with the preceding year corresponding quarter, the Group's revenue for the quarter under review increased 15.77% from RM64.28 million to RM74.42 million whereas PBT increased four-fold (430.88%) from loss of RM2.56 million to profit of RM8.46 million mainly due to higher sales volume and continued rise in steel prices.

Compared with the prior financial year ending 31 Dec 2019, the Group annual revenue for financial year 2020 increased marginally by 0.41% from RM238.18 million to RM239.15 million whereas PBT increased significantly by seven-fold (705.56%) from RM1.49 million to RM12.02 million contributed by recovery in the profit margin of steel products.

B2. Comparison with immediate preceding quarter's results

	Current Quarter 01.10.2020 to 31.12.2020	Immediate Preceding Quarter 01.07.2020 to 30.09.2020	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	74,420	69,132	5,288	7.65
Profit from Operation	8,444	2,949	5,495	186.33
Profit before tax	8,464	2,904	5,560	191.46
Profit for the Period	6,462	2,305	4,157	180.35

Compared with the immediate preceding quarter, the Group's revenue for the quarter under review increased 7.65% from RM69.13 million to RM74.42 million whereas PBT increased two-fold (191.46%) from RM2.90 million to RM8.46 million mainly attributable to continued rise in steel prices.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B3. Prospects and outlook

Financial year ending 31 December 2021 will be challenging due largely to the Covid-19 pandemic that has adversely impacted the economy and interrupted supply chain for all industries. The Group has taken initiative and steps to mitigate the interruption in the business operation caused by Covid-19 pandemic.

Barring unforeseen circumstances, the Board is cautiously optimistic that the Group's prospects for the coming year would remain positive and satisfactory given the fact that the Company will continue to maintain its production capacity on the back of improvement in sales of steel products and up trend in steel prices.

B4. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee during the current financial quarter under review.

B5. Status of corporate proposals

There were no corporate proposals announced but not completed as at the date of this interim report.

B6. Income tax expenses

	Individual Quarter		Cumulative Quarter	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Current tax expenses	1,929	(296)	3,258	785
Deferred tax expenses	73	(141)	(507)	309
Total tax expenses	2,002	(437)	2,751	1,094

Note:

- (1) Income tax expense is recognised based on management's best estimate.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B7. Utilisation of proceeds from the IPO

The gross proceeds raised from the public issue and status of utilisation as at 31 December 2020 is disclosed in the following manner:

Utilisation of proceeds	Revised Deadline	Proposed Utilisation RM'000	Actual utilisation RM'000	Percentage utilised %
Land acquisition and construction of new factory				
- Land acquisition	31 December 2021	9,215	-	-
- Construction of new factory to commence manufacturing of wire mesh, flat and square bars in this new factory	31 December 2021	10,350	-	-
Purchase of machinery and equipment for:				
- 3 rotary/auto shearing machines and 1 compressor	30 June 2022	2,085	-	-
- 1 slitting line	30 June 2022	1,800	-	-
- 5 packing machines	30 June 2022	1,800	660	37%
General working capital	31 July 2020	5,961	5,961	100%
Estimated listing expenses	31 August 2019	3,200	3,200	100%
		34,411	9,821	28.5%

Notes:

(1) The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 25 June 2019.

B8. Group bank borrowings

	As at 31.12.2020 RM'000	Audited as at 31.12.2019 RM'000
Current:		
Bankers' acceptances	25,603	36,125
Total bank borrowings	25,603	36,125
Secured	12,972	13,755
Unsecured	12,631	22,370
Total bank borrowings	25,603	36,125

All the Groups borrowings are denominated in Ringgit Malaysia.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B9. Material litigation

There were no material litigation involving the Group as at 31 December 2020.

B10. Dividend

The Board of Directors does not recommend any dividend for the current financial quarter under review.

B11. Earnings per share

The basic earnings per share ("EPS") are calculated by dividing the profit for the period attributable to owners of the Company by weighted average number of ordinary shares of the Company during the financial period as follows:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>31.12.2020</u>	<u>31.12.2019</u>	<u>31.12.2020</u>	<u>31.12.2019</u>
Profit attributable to ordinary owners of the Company (RM'000)	6,462	(2,121)	9,268	398
Number of ordinary shares ('000)	348,991	348,991	348,991	332,899
Basic EPS (sen)	1.85	(0.61)	2.66	0.12
Diluted EPS (sen) ⁽¹⁾	1.85	(0.61)	2.66	0.12

Note:

(1) Diluted EPS of the Company for the individual quarter and period-to-date ended 31 December 2020 and 31 December 2019 is equivalent to the basic earnings per share as the Company does not have any convertible options as at the end of the reporting period.

B12. Disclosure on selected expense/income items as required by the Listing Requirements

Profit/(Loss) before tax is arrived after charging/(crediting):

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>31.12.2020</u>	<u>31.12.2019</u>	<u>31.12.2020</u>	<u>31.12.2019</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Interest Income	(163)	(267)	(936)	(501)
Interest Expenses	143	352	1,465	1,517
Depreciation	922	934	3,651	3,711
Foreign exchange loss				
- Realised and unrealised	1	-	1	1
(Gain)/loss on derivatives	(3)	94	(64)	(49)
Reversal of impairment losses on trade receivables	(255)	(141)	(26)	(482)
Provision/(Reversal) of inventories written down	(368)	758	310	(510)
Reversal of impairment of assets	-	(30)	-	(30)
IPO expenses	-	-	-	1,583
Scrap income	(700)	(300)	(1,421)	(1,525)
Miscellaneous income	(139)	(27)	(547)	(260)

Note:

Other disclosure items pursuant to Appendix 9B, Note 16 of the Listing Requirements are not applicable.