

TASHIN HOLDINGS BERHAD (REG NO.: 201701028709 (1242878-H))
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2020⁽¹⁾

		Individual Quarter		Cumulative Quarter	
		Current Year	Preceding year	Current Year	Preceding year
		Quarter	Corresponding	To-date	Corresponding
		01.07.2020 to	01.07.2019 to	01.01.2020 to	01.01.2019 to
		30.09.2020	30.09.2019	30.09.2020	30.09.2019
Note		RM'000	RM'000	RM'000	RM'000
Revenue	A9	69,132	55,281	164,725	173,895
Cost of sales		(63,368)	(52,552)	(153,318)	(161,511)
Gross profit ("GP")		5,764	2,729	11,407	12,384
Other operating income		339	101	1,190	3,215
Operating expenses		(3,154)	(5,449)	(8,493)	(10,618)
Profit/(Loss) from operation		2,949	(2,619)	4,104	4,981
Finance costs		(275)	(485)	(1,322)	(1,165)
Interest income		230	109	773	234
Profit/(Loss) before tax ("PBT"/("LAT"))	B12	2,904	(2,995)	3,555	4,050
Tax expenses	B6	(599)	207	(749)	(1,531)
Profit/(Loss) after tax ("PAT"/("LAT"))		2,305	(2,788)	2,806	2,519
Profit/(Loss) for the financial period attributable to:					
- Owners of the Company		2,305	(2,788)	2,806	2,519
Total Comprehensive income/(loss) for the financial period attributable to:					
- Owners of the Company		2,305	(2,788)	2,806	2,519
Earnings per share attributable to owners of the Company					
- Basic (sen) ⁽²⁾	B11	0.66	-0.80	0.80	0.72
- Diluted (sen) ⁽³⁾	B11	0.66	-0.80	0.80	0.72

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 30 September 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 30 SEPTEMBER 2020⁽¹⁾

	UNAUDITED AS AT 30.09.2020 RM'000	AUDITED AS AT 31.12.2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	68,487	70,719
Total non-current assets	68,487	70,719
Current assets		
Inventories	60,422	85,878
Trade receivables	59,709	56,206
Other receivables	711	1,762
Current tax assets	-	747
Cash and bank balances	40,226	37,895
Total current assets	161,068	182,488
TOTAL ASSETS	229,555	253,207
EQUITY AND LIABILITIES		
Equity		
Share Capital	179,242	179,242
Reserves	11,654	8,848
Total Equity	190,896	188,090
Liabilities		
Non-current liabilities		
Lease liability	71	42
Deferred tax liabilities	9,895	10,475
Total non-current liabilities	9,966	10,517
Current liabilities		
Trade payables	6,644	14,354
Other payables	2,984	3,906
Derivate liabilities	16	77
Borrowings	18,893	36,125
Lease liabilities	156	138
Total current liabilities	28,693	54,600
TOTAL LIABILITIES	38,659	65,117
TOTAL EQUITY AND LIABILITIES	229,555	253,207
Weighted Average number of ordinary shares ('000)	348,991	348,991
NET ASSETS PER SHARE (RM)⁽²⁾	0.55	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.
- (2) Based on weighted average number of ordinary shares outstanding during the period under review.

TASHIN HOLDINGS BERHAD (REG NO.: 201701028709 (1242878-H))
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2020⁽¹⁾

	Attributable to owners of the parent				
	----- Non-distributable -----			Distributable	Total Equity RM'000
	Share Capital RM'000	Merger Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings 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	-	-	-	2,519	2,519
Transfer due to crystallisation of revaluation reserves	-	-	(487)	487	-
Transactions with owners					
Dividends paid	-	-	-	(2,500)	(2,500)
Issuance of shares by the Company pursuant 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 30.09.2019	179,242	(124,831)	20,007	115,793	190,211
As at 1.1.2020	179,242	(124,831)	19,841	113,838	188,090
Total comprehensive income	-	-	-	2,806	2,806
Transfer due to crystallisation of revaluation reserves	-	-	(496)	496	-
As at 30.09.2020	179,242	(124,831)	19,345	117,140	190,896

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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2020⁽¹⁾

	Unaudited 30.09.2020 RM'000	Unaudited 30.09.2019 RM'000
Cash Flows From Operating Activities		
Profit before tax	3,555	4,050
Adjustments for:		
Non-cash items	3,761	931
Non-operating items	549	1,025
Operating profit before working capital changes	7,865	6,006
Net change in current assets	21,913	(28,720)
Net change in current liabilities	(9,006)	4,432
Tax paid	(209)	(2,150)
Net cash from/(used in) operating activities	20,563	(20,432)
Cash Flows From Investing Activities		
Interest received	773	234
Purchases of property, plant and equipment	(306)	(341)
Net cash from/(used in) investing activities	467	(107)
Cash Flows From Financing Activities		
Proceeds from issuance of shares	-	34,411
Repayment of lease liabilities	(153)	(80)
(Repayment) / Drawdown of borrowings	(17,232)	14,142
Interest paid	(1,314)	(1,165)
Dividend paid	-	(2,500)
Net cash (used in)/from financing activities	(18,699)	44,808
Net increase in cash and cash equivalents	2,331	24,269
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	40,226	39,092

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 material changes in the estimates 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 30 September 2020, the Group does not have any other material capital commitment:

	RM'000
Capital expenditure in respect of purchase of property, plant & equipment	
- Approved and contracted for	33
- Approved but not contracted for	24,788
	24,821

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

	Individual Quarter		Increase/ (Decrease)		Cumulative Quarter		Increase/ (Decrease)	
	Current Year	Preceding Year	RM'000	%	Current Year	Preceding Year	RM'000	%
	Quarter 01.07.2020 to 30.09.2020 RM'000	Corresponding Quarter 01.07.2019 to 30.09.2019 RM'000			To-Date 01.01.2020 to 30.09.2020 RM'000	Corresponding Period 01.01.2019 to 30.09.2019 RM'000		
Revenue	69,132	55,281	13,851	25.06	164,725	173,895	(9,170)	(5.27)
Profit/(Loss) from operation	2,949	(2,619)	5,568	212.60	4,104	4,981	(877)	(17.61)
Profit/(Loss) before tax	2,904	(2,995)	5,899	196.96	3,555	4,050	(495)	(12.22)
Profit/(Loss) for the period	2,305	(2,788)	5,093	182.68	2,806	2,519	287	11.39

For the quarter under review, the Group's revenue and profit before tax were RM69.13 million and RM2.90 million respectively. The revenue increased by 25.06% over the same quarter last year and PBT increased 197% from loss of RM2.99 million to profit of RM2.90 million over same quarter last year mainly due to strong improvement in profit margin and lower operating expenses as a result of various cost saving initiatives.

Despite the continuation of the MCO imposed by the government, the Group is fortunate to be able to enjoy good sales performance. As a result, the Group recorded year-to-date revenue and profit before tax of RM164.73 million and RM3.56 million, which is 5% and 12% lower than previous year-to-date revenue and profit before tax respectively.

B2. Comparison with immediate preceding quarter's results

	Current Quarter	Immediate	Increase/(Decrease)	
	01.07.2020 to 30.09.2020	Preceding Quarter 01.04.2020 to 30.06.2020	RM'000	%
Revenue	69,132	34,240	34,892	101.90
Profit/(Loss) from Operation	2,949	(60)	3,009	5,015.00
Profit/(Loss) before tax	2,904	(275)	3,179	1,156.00
Profit/(Loss) for the Period	2,305	(223)	2,528	1,133.63

Compared with the immediate preceding quarter, the Group's revenue for the quarter under review increased 101.90% from RM34.24 million to RM69.13 million. The profit before tax for the quarter under review increased to RM2.90 million as compared to RM0.28 million loss in preceding quarter, as a result of higher sales volume and better steel prices.

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

B3. Prospects and outlook

The remaining financial year will be challenging largely due to the Covid-19 pandemic that has adversely impacted the economy and interrupted supply chain for all industries. The Group has taken initiatives 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 financial year ending 31 December 2020 would remain positive.

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	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM'000	RM'000	RM'000	RM'000
Current tax expenses	862	(39)	1,329	1,081
Deferred tax expenses	(263)	(168)	(580)	450
Total tax expenses	599	(207)	749	1,531

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 30 September 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	30 April 2021	7,200	-	-
- Construction of new factory to commence manufacturing of wire mesh, flat and square bars in this new factory	31 July 2022	10,350	-	-
Purchase of machinery and equipment for:				
- 5 wire mesh manufacturing lines	31 March 2022	4,100	-	-
- 1 slitting line	30 June 2021	1,800	-	-
- 5 packing machines	30 June 2021	1,800	627	35%
General working capital	31 July 2020	5,961	5,961	100%
Estimated listing expenses	31 August 2019	3,200	3,200	100%
		34,411	9,788	28.4%

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 30.09.2020 RM'000	Audited as at 31.12.2019 RM'000
Current:		
Bankers' acceptances	18,893	36,125
Total bank borrowings	18,893	36,125
Secured		
	6,238	13,755
Unsecured		
	12,655	22,370
Total bank borrowings	18,893	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 30 September 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:

	Individual Quarter		Cumulative Quarter	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
Profit attributable to ordinary owners of the Company (RM'000)	2,305	(2,788)	2,806	2,519
Number of ordinary shares ('000)	348,991	348,991	348,991	348,991
Basic EPS (sen)	0.66	(0.80)	0.80	0.72
Diluted EPS (sen) ⁽¹⁾	0.66	(0.80)	0.80	0.72

Note:

(1) Diluted EPS of the Company for the individual quarter and period-to-date ended 30 September 2020 and 30 September 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):

	Individual Quarter		Cumulative Quarter	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM'000	RM'000	RM'000	RM'000
Interest Income	(230)	(109)	(773)	(234)
Interest Expenses	275	485	1,322	1,165
Depreciation	930	926	2,729	2,777
Foreign exchange (gain)/loss				
- Realised and unrealised	-	1	-	-
(Gain)/loss on derivatives	13	(76)	(61)	(143)
Provison/(reversal) of impairment losses on trade receivables	141	(12)	229	(341)
Provision/(Reversal) of inventories written down	270	300	678	(1,268)
IPO expenses	-	1,559	-	1,583
Scrap income	(175)	(315)	(721)	(1,225)
Miscellaneous income	(177)	(2)	(408)	(233)

Note:

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