

TASHIN HOLDINGS BERHAD (REG NO.: 201701028709 (1242878-H))
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021⁽¹⁾

		Individual Quarter		Cumulative Quarter	
		Current Year Quarter 01.01.2021 to 31.03.2021 RM'000	Preceding year Corresponding Quarter 01.01.2020 to 31.03.2020 RM'000	Current Year To-date 01.01.2021 to 31.03.2021 RM'000	Preceding year Corresponding Period 01.01.2020 to 31.03.2020 RM'000
	Note				
Revenue	A9	95,217	61,353	95,217	61,353
Cost of sales		(74,989)	(57,486)	(74,989)	(57,486)
Gross profit ("GP")		20,228	3,867	20,228	3,867
Other operating income		381	269	381	269
Operating expenses		(4,062)	(2,921)	(4,062)	(2,921)
Profit/(Loss) from operation		16,547	1,215	16,547	1,215
Finance costs		(295)	(536)	(295)	(536)
Interest income		174	247	174	247
Profit before tax ("PBT")	B12	16,426	926	16,426	926
Tax expenses	B6	(4,192)	(202)	(4,192)	(202)
Profit after tax ("PAT")		12,234	724	12,234	724
Profit for the financial period attributable to:					
- Owners of the Company		12,234	724	12,234	724
Total Comprehensive income for the financial period attributable to:					
- Owners of the Company		12,234	724	12,234	724
Earnings per share attributable to owners of the Company					
- Basic (sen) ⁽²⁾	B11	3.51	0.21	3.51	0.21
- Diluted (sen) ⁽³⁾	B11	3.51	0.21	3.51	0.21

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 2020 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 March 2021 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 MARCH 2021⁽¹⁾

	UNAUDITED AS AT 31.3.2021 RM'000	AUDITED AS AT 31.12.2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	68,302	68,804
Total non-current assets	68,302	68,804
Current assets		
Inventories	109,010	70,300
Trade receivables	82,635	64,150
Other receivables	715	3,471
Cash and bank balances	45,045	42,983
Total current assets	237,405	180,904
TOTAL ASSETS	305,707	249,708
EQUITY AND LIABILITIES		
Equity		
Share Capital	179,242	179,242
Reserves	30,350	18,116
Total Equity	209,592	197,358
Liabilities		
Non-current liabilities		
Lease liability	53	110
Deferred tax liabilities	9,323	9,968
Total non-current liabilities	9,376	10,078
Current liabilities		
Trade payables	28,688	11,384
Other payables	3,986	3,697
Derivate liabilities	13	13
Borrowings	49,139	25,603
Current tax liabilities	4,750	1,446
Lease liabilities	163	129
Total current liabilities	86,739	42,272
TOTAL LIABILITIES	96,115	52,350
TOTAL EQUITY AND LIABILITIES	305,707	249,708
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.60	0.57

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 2020 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 FIRST (1ST) QUARTER ENDED 31 MARCH 2021⁽¹⁾

	<u>Attributable to owners of the parent</u>				<u>Total Equity</u> RM'000
	<u>Share Capital</u> RM'000	<u>Merger Reserve</u> RM'000	<u>Revaluation Reserve</u> RM'000	<u>Distributable Retained Earnings</u> RM'000	
As at 1.1.2020	179,242	(124,831)	19,841	113,838	188,090
Total comprehensive income	-	-	-	724	724
Transfer due to crystallisation of revaluation reserves	-	-	(164)	164	-
As at 31.03.2020	179,242	(124,831)	19,677	114,726	188,814
As at 1.1.2021	179,242	(124,831)	19,176	123,771	197,358
Total comprehensive income	-	-	-	12,234	12,234
Transfer due to crystallisation of revaluation reserves	-	-	(167)	167	-
As at 31.03.2021	179,242	(124,831)	19,009	136,172	209,592

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 2020 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 FIRST (1ST) QUARTER ENDED 31 MARCH 2021⁽¹⁾

	Unaudited 31.03.2021 RM'000	Unaudited 31.03.2020 RM'000
Cash Flows From Operating Activities		
Profit before tax	16,426	926
Adjustments for:		
Non-cash items	1,799	1,310
Non-operating items	121	289
Operating profit before working capital changes	18,346	2,525
Net change in current assets	(55,301)	(5,680)
Net change in current liabilities	17,593	(2,436)
Tax paid	(1,533)	(209)
Net cash used in operating activities	(20,895)	(5,800)
Cash Flows From Investing Activities		
Interest received	174	247
Purchases of property, plant and equipment	(417)	(180)
Net cash (used in)/from investing activities	(243)	67
Cash Flows From Financing Activities		
Repayment of lease liabilities	(42)	(41)
Drawdown of borrowings	23,536	11,613
Interest paid	(294)	(534)
Net cash from financing activities	23,200	11,038
Net increase in cash and cash equivalents	2,062	5,305
Cash and cash equivalents at the beginning of the financial year	42,983	37,895
Cash and cash equivalents at the end of the financial period	45,045	43,200

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 2020 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 2020 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 2020, 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 2021.

<u>Title</u>	<u>Effective date</u>
<i>Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)</i>	1 January 2021
<i>Annual Improvements to MFRS Standards 2018 - 2020</i>	1 January 2022
<i>Amendments to MFRS 3 Reference to the Conceptual Framework</i>	1 January 2022
<i>Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
<i>Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
<i>Amendments to MFRS 101 Classification of Liabilities as Current or Non-current</i>	1 January 2023
<i>MFRS 17 Insurance Contracts</i>	1 January 2023
<i>Amendments to MFRS 17 Insurance Contracts</i>	1 January 2023
<i>Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)</i>	1 January 2023
<i>Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)</i>	1 January 2023
<i>Amendments to MFRS 10 and MFRS128 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 2020 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.

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

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.

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

On 23 April 2021, Tashin Hardware Sdn. Bhd, a wholly-owned subsidiary of the Company entered into a Sales and Purchase Agreement with CSC Steel Sdn. Bhd. for the purpose of acquiring two (2) contiguous pieces of industrial land and buildings measuring approximately 26,188.8094 square metres and 16,187.4804 square metres located in Prai Industrial Estate Phase IV, Prai, Penang, for a total purchase consideration of RM43,500,000.00. The proposed acquisition is expected to be completed within three months from the unconditional date as defined in the SPA.

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.

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

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 March 2021, 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	23,840
- Contracted but not provided for	3,400
	27,240

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)	
	Year Quarter	Year Correspondin Quarter			Year To-Date	Year Correspondin Period		
	01.01.2021 to 31.03.2021 RM'000	01.01.2020 to 31.03.2020 RM'000	RM'000	%	01.01.2021 to 31.03.2021 RM'000	01.01.2020 to 31.03.2020 RM'000	RM'000	%
Revenue	95,217	61,353	33,864	55.20	95,217	61,353	33,864	55.20
Profit from operation	16,547	1,215	15,332	1,261.89	16,547	1,215	15,332	1,261.89
Profit before tax	16,426	926	15,500	1,673.87	16,426	926	15,500	1,673.87
Profit for the period	12,234	724	11,510	1,589.78	12,234	724	11,510	1,589.78

The Group achieved best quarter results so far for this quarter under review. The Group's revenue increased 55.2% to RM95.22 million from preceding year's corresponding quarter of RM61.35 million, the higher revenue was mainly due to higher demand for the Group's products.

The profit before tax for the current quarter of RM16.43 million was around seventeen-fold (1673%) higher compared to preceding year corresponding quarter profit before tax of RM0.93 million. The higher profit margin for the quarter was mainly due to significant increase in steel prices for steel products.

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

B2. Comparison with immediate preceding quarter's results

	Current Quarter 01.01.2021 to 31.03.2021	Immediate Preceding Quarter 01.10.2020 to 31.12.2020	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	95,217	74,420	20,797	27.95
Profit from Operation	16,547	8,444	8,103	95.96
Profit before tax	16,426	8,464	7,962	94.07
Profit for the Period	12,234	6,462	5,772	89.32

Compared with the immediate preceding quarter, the Group's revenue for the quarter under review increased 27.95% from RM74.42 million to RM95.22 million whereas Profit before tax increased 94.07% from RM8.46 million to RM16.43 million mainly attributable to higher sales volume and continued rise in steel prices.

B3. Prospects and outlook

The gradual resumption of operation and better business sentiments after one year of Covid-19 pandemic, the Group experienced improving sales on steel products and profit margin, however the shortage of certain type of steel material may post a challenge to the Group's operation.

Barring unforeseen circumstances, the Board is cautiously optimistic that the Group's prospects for the coming quarter would remain positive and satisfactory due to higher steel prices and demand. The Company will continue to improve its material sourcing and production efficiency to increase capacity to fulfil customer's demand.

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	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Current tax expenses	4,837	329	4,837	329
Deferred tax expenses	(645)	(127)	(645)	(127)
Total tax expenses	4,192	202	4,192	202

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 March 2021 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	850	47%
General working capital	31 July 2020	5,961	5,961	100%
Estimated listing expenses	31 August 2019	3,200	3,200	100%
		34,411	10,011	29.1%

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 31.03.2021 RM'000	Audited as at 31.12.2020 RM'000
Current:		
Bankers' acceptances	49,139	25,603
Total bank borrowings	49,139	25,603
Secured	12,492	12,972
Unsecured	36,647	12,631
Total bank borrowings	49,139	25,603

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 March 2021.

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>31.03.2021</u>	<u>31.03.2020</u>	<u>31.03.2021</u>	<u>31.03.2020</u>
Profit attributable to ordinary owners of the Company (RM'000)	12,234	724	12,234	724
Number of ordinary shares ('000)	348,991	348,991	348,991	348,991
Basic EPS (sen)	3.51	0.21	3.51	0.21
Diluted EPS (sen) ⁽¹⁾	3.51	0.21	3.51	0.21

Note:

(1) Diluted EPS of the Company for the individual quarter and period-to-date ended 31 March 2021 and 31 March 2020 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 before tax is arrived after charging/(crediting):

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>31.03.2021</u>	<u>31.03.2020</u>	<u>31.03.2021</u>	<u>31.03.2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Interest Income	(174)	(247)	(174)	(247)
Interest Expenses	295	536	295	536
Depreciation	937	898	937	898
Foreign exchange loss				
- Realised and unrealised	(1)	-	(1)	-
(Gain)/loss on derivatives	(51)	-	(51)	-
Provision of impairment losses on trade receivables	284	141	284	141
Provision of inventories written down	630	270	630	270
Scrap income	(329)	(269)	(329)	(269)

Note:

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