

**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 2021<sup>(1)</sup>**

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding year Corresponding Quarter	Current Year To-date	Preceding year Corresponding Period
		01.07.2021 to 30.09.2021 RM'000	01.07.2020 to 30.09.2020 RM'000	01.01.2021 to 30.09.2021 RM'000	01.01.2020 to 30.09.2020 RM'000
Revenue	A9	97,707	69,132	278,614	164,725
Cost of sales		(65,789)	(63,368)	(202,941)	(153,318)
<b>Gross profit ("GP")</b>		31,918	5,764	75,673	11,407
Other operating income		365	339	915	1,190
Operating expenses		(4,474)	(3,154)	(13,897)	(8,493)
Profit from operation		27,809	2,949	62,691	4,104
Finance costs		(572)	(275)	(1,380)	(1,322)
Interest income		121	230	420	773
<b>Profit before tax ("PBT")</b>	B12	27,358	2,904	61,731	3,555
Tax expenses	B6	(6,539)	(599)	(15,062)	(749)
<b>Profit after tax ("PAT")</b>		20,819	2,305	46,669	2,806
<b>Profit for the financial period attributable to:</b>					
- Owners of the Company		20,819	2,305	46,669	2,806
<b>Total Comprehensive income for the financial period attributable to:</b>					
- Owners of the Company		20,819	2,305	46,669	2,806
<b>Earnings per share attributable to owners of the Company</b>					
- Basic (sen) <sup>(2)</sup>	B11	5.97	0.66	13.37	0.80
- Diluted (sen) <sup>(3)</sup>	B11	5.97	0.66	13.37	0.80

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 30 September 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 30 SEPTEMBER 2021<sup>(1)</sup>**

	<b>UNAUDITED AS AT 30.9.2021 RM'000</b>	<b>AUDITED AS AT 31.12.2020 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	67,296	68,804
<b>Total non-current assets</b>	<b>67,296</b>	<b>68,804</b>
<b>Current assets</b>		
Inventories	178,041	70,300
Trade receivables	76,694	64,150
Other receivables	5,191	3,471
Derivative assets	49	-
Cash and bank balances	51,248	42,983
<b>Total current assets</b>	<b>311,223</b>	<b>180,904</b>
<b>TOTAL ASSETS</b>	<b>378,519</b>	<b>249,708</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share Capital	179,242	179,242
Reserves	63,040	18,116
<b>Total Equity</b>	<b>242,282</b>	<b>197,358</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Lease liabilities	125	110
Deferred tax liabilities	7,042	9,968
<b>Total non-current liabilities</b>	<b>7,167</b>	<b>10,078</b>
<b>Current liabilities</b>		
Trade payables	23,282	11,384
Other payables	2,249	3,697
Derivate liabilities	-	13
Borrowings	90,106	25,603
Current tax liabilities	13,274	1,446
Lease liabilities	159	129
<b>Total current liabilities</b>	<b>129,070</b>	<b>42,272</b>
<b>TOTAL LIABILITIES</b>	<b>136,237</b>	<b>52,350</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>378,519</b>	<b>249,708</b>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	<b>0.69</b>	<b>0.57</b>

**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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2021<sup>(1)</sup>**

	Attributable to owners of the parent				Total Equity RM'000
	----- Non-distributable ----- Share Capital RM'000	Merger Reserve RM'000	Revaluation Reserve RM'000	Distributable Retained Earnings RM'000	
<b>As at 1.1.2020</b>	<b>179,242</b>	<b>(124,831)</b>	<b>19,841</b>	<b>113,838</b>	<b>188,090</b>
Total comprehensive income	-	-	-	2,806	<b>2,806</b>
Transfer due to crystallisation of revaluation reserves	-	-	(496)	496	-
<b>As at 30.09.2020</b>	<b>179,242</b>	<b>(124,831)</b>	<b>19,345</b>	<b>117,140</b>	<b>190,896</b>
<b>As at 1.1.2021</b>	<b>179,242</b>	<b>(124,831)</b>	<b>19,176</b>	<b>123,771</b>	<b>197,358</b>
Total comprehensive income	-	-	-	46,669	<b>46,669</b>
Transfer due to crystallisation of revaluation reserves	-	-	(506)	506	-
<b>Transactions with owners</b>					
Dividends paid	-	-	-	(1,745)	<b>(1,745)</b>
<b>As at 30.09.2021</b>	<b>179,242</b>	<b>(124,831)</b>	<b>18,670</b>	<b>169,201</b>	<b>242,282</b>

**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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2021<sup>(1)</sup>**

	<b>Unaudited 30.09.2021 RM'000</b>	<b>Unaudited 30.09.2020 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
<b>Profit before tax</b>	<b>61,731</b>	<b>3,555</b>
Adjustments for:		
Non-cash items	11,908	3,761
Non-operating items	960	549
Operating profit before working capital changes	74,599	7,865
Net change in current assets	(131,066)	21,913
Net change in current liabilities	10,450	(9,006)
Tax paid	(6,160)	(209)
Net cash (used in)/from operating activities	<b>(52,177)</b>	<b>20,563</b>
<b>Cash Flows From Investing Activities</b>		
Interest received	420	773
Proceeds from disposal of property, plant and equipment	32	-
Purchases of property, plant and equipment	(1,269)	(306)
Net cash (used in)/from investing activities	<b>(817)</b>	<b>467</b>
<b>Cash Flows From Financing Activities</b>		
Repayment of lease liabilities	(126)	(153)
Drawdown of borrowings	64,503	(17,232)
Interest paid	(1,373)	(1,314)
Dividend paid	(1,745)	-
Net cash from/(used in) financing activities	<b>61,259</b>	<b>(18,699)</b>
<b>Net increase in cash and cash equivalents</b>	<b>8,265</b>	<b>2,331</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>42,983</b>	<b>37,895</b>
<b>Cash and cash equivalents at the end of the financial period</b>	<b>51,248</b>	<b>40,226</b>

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.

#### 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.

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

### **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**

A final single-tier dividend of 0.5 sen per ordinary share amounting to RM 1,744,955 in respect of the financial year ended 31 December 2020 was paid on 18 August 2021.

### **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 RM43.50 million. The proposed acquisition is expected to be completed within three months from the unconditional date as defined in the SPA.

There were no other material events subsequent to the end of current financial quarter.

### **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.

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

### A14. Capital commitments

Save as disclosed below, the Group does not have any other material capital commitment as at 30 Sep 2021:

	RM'000
Capital expenditure in respect of purchase of property, plant & equipment	
- Approved but not contracted for	2,085
- Contracted but not provided for	46,416
	48,501

## 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	Preceding Year	RM000	%	Current Year	Preceding Year	RM000	%
	Quarter	Corresponding			To-Date	Corresponding		
	01.07.2021 to 30.09.2021 RM000	01.07.2020 to 30.09.2020 RM000			01.01.2021 to 30.09.2021 RM000	01.01.2020 to 30.09.2020 RM000		
Revenue	97,707	69,132	28,575	41.33	278,614	164,725	113,889	69.14
Profit from operation	27,809	2,949	24,860	843.00	62,691	4,104	58,587	1,427.56
Profit before tax	27,358	2,904	24,454	842.08	61,731	3,555	58,176	1,636.46
Profit for the period	20,819	2,305	18,514	803.21	46,669	2,806	43,863	1,563.19

The Group continues to deliver strong quarter results for this quarter under review. The Group's revenue increased 41.33% to RM97.71 million from preceding year's corresponding quarter of RM69.13 million. The higher revenue was mainly due to significant increase in steel price, whereas sales volume for current quarter reduced 23% compared to preceding year's corresponding quarter as sales are affected in Klang Valley due to lock down for covid-19 pandemic movement control.

With higher revenue and gross profits margin, the Group registered profit before tax of RM27.36 million for current quarter as compared to preceding year corresponding quarter profit before tax of RM 2.90 million.

The Group recorded year to date revenue of RM278.61 million and profit before tax of RM61.73 million, 69% and 1636% higher than previous year to date revenue and profit before tax respectively mainly due to higher steel price.

**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 01.07.2021 to 30.09.2021	Immediate Preceding Quarter 01.04.2021 to 30.06.2021	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	97,707	85,690	12,017	14.02
Profit from Operation	27,809	18,335	9,474	51.67
Profit before tax	27,358	17,947	9,411	52.44
Profit for the Period	20,819	13,616	7,203	52.90

Compared with the immediate preceding quarter, the Group's revenue for the quarter under review increased 14.02% from RM85.69 million to RM97.71 million and Profit before tax increased 52.44% from RM17.95 million to RM27.36 million mainly attributable to continued rise in steel price and profit margin.

**B3. Prospects and outlook**

The gradual reopening of economy and resumption of business activities has contributed to better revenue for the Group. However, the steel industry remained highly competitive and profit margin for coming quarters are sensitive to global steel price movement.

Barring unforeseen circumstances, the Board is cautiously optimistic that the Group's prospects for the coming quarter would remain positive and satisfactory.

**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	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Current tax expenses	7,010	862	17,988	1,329
Deferred tax expenses	(471)	(263)	(2,926)	(580)
Total tax expenses	6,539	599	15,062	749

**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 2021 is disclosed in the following manner:

<u>Utilisation of proceeds</u>	<u>Revised Deadline</u>	<u>Proposed Utilisation RM'000</u>	<u>Actual utilisation RM'000</u>	<u>Percentage utilised %</u>
Acquisition of Industrial Land and Buildings	31 December 2021	19,565	4,350	22%
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	612	34%
- 5 packing machines	30 June 2022	1,800	1,354	75%
General working capital	31 July 2020	5,961	5,961	100%
Estimated listing expenses	31 August 2019	3,200	3,200	100%
		<b>34,411</b>	<b>15,477</b>	<b>45%</b>

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**

	<b>As at 30.09.2021 RM'000</b>	<b>Audited as at 31.12.2020 RM'000</b>
<b>Current liabilities:</b>		
<b>Secured</b>		
Bankers' acceptances	25,841	12,972
	<b>25,841</b>	<b>12,972</b>
<b>Unsecured</b>		
Bankers' acceptances	64,265	12,631
	<b>64,265</b>	<b>12,631</b>
<b>Total bank borrowings</b>	<b>90,106</b>	<b>25,603</b>

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 2021.

### B10. Dividend

The Board of Directors declared a first single-tier interim dividend of 2.0 sen per ordinary share amounting to RM6,979,820 in respect of the financial year ending 31 December 2021. The entitlement date and payment date are on 3 December 2021 and 16 December 2021 respectively.

### 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	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
Profit/(Loss) attributable to ordinary owners of the Company (RM'000)	20,819	2,305	46,669	2,806
Number of ordinary shares ('000)	348,991	348,991	348,991	348,991
Basic EPS (sen)	5.97	0.66	13.37	0.80
Diluted EPS (sen) <sup>(1)</sup>	5.97	0.66	13.37	0.80

Note:

(1) Diluted EPS of the Company for the individual quarter and period-to-date ended 30 September 2021 and 30 September 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):

	Individual Quarter		Cumulative Quarter	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Interest Income	(121)	(230)	(420)	(773)
Interest Expenses	572	275	1,380	1,322
Depreciation	1,021	930	2,915	2,729
Foreign exchange gain				
- Realised and unrealised	(14)	-	(17)	-
(Gain)/loss on derivatives	59	13	(63)	(61)
Gain on disposal of plant, property & equipment	(6)	-	(6)	-
Provision of impairment losses on trade receivables	429	141	2,102	229
Provision of inventories written down	980	270	6,960	678
Scrap income	(404)	(175)	(825)	(721)
Miscellaneous income	-	(177)	(4)	(408)

Note:

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