

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 2022⁽¹⁾

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 01.07.2022 to 30.09.2022 RM'000	Preceding year Corresponding Quarter 01.07.2021 to 30.09.2021 RM'000	Current Year To-date 01.01.2022 to 30.09.2022 RM'000	Preceding year Corresponding Period 01.01.2021 to 30.09.2021 RM'000
Revenue	A9	112,341	97,707	335,771	278,614
Cost of sales		(110,432)	(65,789)	(300,211)	(202,941)
Gross profit ("GP")		1,909	31,918	35,560	75,673
Other operating income		396	365	1,405	915
Operating expenses		(4,769)	(4,474)	(15,387)	(13,897)
Profit/(Loss) from operation		(2,464)	27,809	21,578	62,691
Finance costs		(1,009)	(572)	(2,111)	(1,380)
Interest income		100	121	365	420
Profit/(Loss) before tax ("PBT"/("LBT"))	B12	(3,373)	27,358	19,832	61,731
Tax expenses	B6	523	(6,539)	(4,288)	(15,062)
Profit/(Loss) for the period ("PAT"/("LAT"))		(2,850)	20,819	15,544	46,669
Profit/(Loss) for the financial period attributable to:					
- Owners of the Company		(2,850)	20,819	15,544	46,669
Total Comprehensive income for the financial period attributable to:					
- Owners of the Company		(2,850)	20,819	15,544	46,669
Earnings per share attributable to owners of the Company					
- Basic (sen) ⁽²⁾	B11	(0.82)	5.97	4.45	13.37
- Diluted (sen) ⁽³⁾	B11	(0.82)	5.97	4.45	13.37

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 2021 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 2022 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 2022⁽¹⁾

	UNAUDITED AS AT 30.09.2022 RM'000	AUDITED AS AT 31.12.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	128,698	77,265
Total non-current assets	128,698	77,265
Current assets		
Inventories	150,764	164,373
Trade receivables	90,813	77,799
Other receivables	1,431	7,694
Derivative assets	21	-
Current tax assets	1,612	-
Cash and bank balances	32,907	72,026
Total current assets	277,548	321,892
TOTAL ASSETS	406,246	399,157
EQUITY AND LIABILITIES		
Equity		
Share Capital	179,242	179,242
Reserves	82,039	76,964
Total Equity	261,281	256,206
Liabilities		
Non-current liabilities		
Borrowings	18,850	-
Lease liabilities	580	125
Provision for retirement benefits	1,326	1,222
Deferred tax liabilities	8,142	9,290
Total non-current liabilities	28,898	10,637
Current liabilities		
Trade payables	16,058	54,851
Other payables	5,513	14,098
Borrowings	94,152	54,161
Derivate liabilities	-	3
Lease liabilities	344	128
Current tax liabilities	-	9,073
Total current liabilities	116,067	132,314
TOTAL LIABILITIES	144,965	142,951
TOTAL EQUITY AND LIABILITIES	406,246	399,157
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.75	0.73

Note:

- (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 2021 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 2022⁽¹⁾

	Attributable to owners of the parent				Total <u>Equity</u> RM'000
	----- Non-distributable ----- <u>Share</u> <u>Capital</u> RM'000	<u>Merger</u> <u>Reserve</u> RM'000	<u>Revaluation</u> <u>Reserve</u> RM'000	<u>Distributable</u> <u>Retained</u> <u>Earnings</u> RM'000	
As at 1.1.2021	179,242	(124,831)	19,176	123,771	197,358
Total comprehensive income	-	-	-	46,669	46,669
Transfer due to crystallisation of revaluation reserves	-	-	(506)	506	-
Transactions with owners					
Dividends paid	-	-	-	(1,745)	(1,745)
As at 30.09.2021	179,242	(124,831)	18,670	169,201	242,282
As at 1.1.2022	179,242	(124,831)	23,433	178,362	256,206
Total comprehensive income	-	-	-	15,544	15,544
Transfer due to crystallisation of revaluation reserves	-	-	(597)	597	-
Transactions with owners					
Dividends paid	-	-	-	(10,469)	(10,469)
As at 30.09.2022	179,242	(124,831)	22,836	184,034	261,281

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 2021 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 2022⁽¹⁾

	Unaudited 30.09.2022 RM'000	Unaudited 30.09.2021 RM'000
Cash Flows From Operating Activities		
Profit before tax	19,832	61,731
Adjustments for:		
Non-cash items	5,806	11,908
Non-operating items	1,745	960
Operating profit before working capital changes	27,383	74,599
Net change in current assets	4,759	(131,066)
Net change in current liabilities	(47,378)	10,450
Tax paid	(16,121)	(6,160)
Net cash used in operating activities	(31,357)	(52,177)
Cash Flows From Investing Activities		
Interest received	365	420
Proceeds from disposal of property, plant and equipment	-	32
Purchases of property, plant and equipment	(54,907)	(1,269)
Net cash used in investing activities	(54,542)	(817)
Cash Flows From Financing Activities		
Drawdown of borrowings	58,841	64,503
Drawdown/(Repayment) of lease liabilities	509	(126)
Interest paid	(2,101)	(1,373)
Dividend paid	(10,469)	(1,745)
Net cash from financing activities	46,780	61,259
Net (decrease)/increase in cash and cash equivalents	(39,119)	8,265
Cash and cash equivalents at the beginning of the financial year	72,026	42,983
Cash and cash equivalents at the end of the financial period	32,907	51,248

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 2021 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 2021 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 2021, 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 2022.

<u>Title</u>	<u>Effective date</u>
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Initial Application of MFRS 17 and MFRS9 - Comparative Information</i>	1 January 2023
<i>Disclosure of Accounting Policies</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i>)	1 January 2023
<i>Definition of Accounting Estimates</i> (Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>)	1 January 2023
Amendments to MFRS112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
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 2021 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

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.

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 September 2022:

	RM'000
Capital expenditure in respect of purchase of property, plant & equipment	
- Approved but not contracted for	1,977
- Approved and contracted for	1,428
	3,405

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 01.07.2022 to 30.09.2022 RM'000	Preceding Year Corresponding Quarter 01.07.2021 to 30.09.2021 RM'000	RM'000	%	Current Year To-Date 01.01.2022 to 30.09.2022 RM'000	Preceding Year Corresponding Period 01.01.2021 to 30.09.2021 RM'000	RM'000	%
Revenue	112,341	97,707	14,634	14.98	335,771	278,614	57,157	20.51
Profit/(Loss) from operation	(2,464)	27,809	(30,273)	(108.86)	21,578	62,691	(41,113)	(65.58)
Profit/(Loss) before tax	(3,373)	27,358	(30,731)	(112.33)	19,832	61,731	(41,899)	(67.87)
Profit/(Loss) for the period	(2,850)	20,819	(23,669)	(113.69)	15,544	46,669	(31,125)	(66.69)

For the individual quarter under review, the Group's revenue increased 14.98% to RM112.34 million from the preceding year's corresponding quarter of RM97.71 million. The higher revenue was mainly due to higher sales volume for the current quarter as compared to the preceding year's corresponding quarter.

The Group registered a loss before tax of RM3.37 million for the current quarter as compared to the preceding year's corresponding quarter profit before tax ("PBT") of RM27.36 million. PBT decreased RM30.73 million or 112.33% over the same quarter last year mainly due to decreased average selling price, lower gross profit ("GP") margin and higher operating expenses.

YTD, the Group's revenue grew by 20.5% to RM335.77 million as compared to RM278.61 million in the preceding year's corresponding period. However, PBT for the period was lower as compared to the same period last year mainly due to decreased average selling price and lower GP margin.

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 01.07.2022 to 30.09.2022	Immediate Preceding Quarter 01.04.2022 to 30.06.2022	Increase/ (Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	112,341	103,893	8,448	8.13
Profit/(Loss) from Operation	(2,464)	8,058	(10,522)	(130.58)
Profit/(Loss) before tax	(3,373)	7,606	(10,979)	(144.35)
Profit/(Loss) for the Period	(2,850)	6,351	(9,201)	(144.87)

Compared with the immediate preceding quarter, the Group's revenue for the current quarter under review increased by 8.13% from RM103.89 million to RM112.34 million while sales volume increased by 30.31%. The PBT for the current quarter under review decreased 144.35% from the immediate preceding quarter's PBT of RM7.61 million to the current quarter's loss before tax of RM3.37 million mainly due to decreased average selling price, lower GP margin and a higher average cost of the raw materials.

B3. Prospects and outlook

The steel market continues to remain weak and cautious. In response to this challenging business environment, the Group will continue adopting a prudent approach in the sourcing of raw materials and inventory replenishment as the steel prices are expected to be volatile throughout the year in order to minimise the impact on the profit margin of the Group.

As a result of the weak market sentiment, the Group expects the performance of the remaining quarter of the financial year 2022 to be challenging.

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	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Current tax expenses	(1,068)	7,010	5,436	17,988
Deferred tax expenses	545	(471)	(1,148)	(2,926)
Total tax expenses	(523)	6,539	4,288	15,062

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 2022 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 July 2022	19,565	19,565	100%
Purchase of machinery and equipment for:				
- 3 rotary/auto shearing machines and 1 compressor	31 December 2022	2,085	108	5%
- 1 slitting line	30 June 2022	1,800	1,800	100%
- 5 packing machines	30 June 2022	1,800	1,800	100%
General working capital	31 July 2020	5,961	5,961	100%
Estimated listing expenses	31 August 2019	3,200	3,200	100%
		34,411	32,434	94%

Note:

(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 30.09.2022 RM'000	Audited as at 31.12.2021 RM'000
Current liabilities:		
Secured	32,183	15,744
Unsecured	61,969	38,417
	<u>94,152</u>	<u>54,161</u>
Non-current liabilities:		
Unsecured	<u>18,850</u>	<u>-</u>
Total bank borrowings	<u>113,002</u>	<u>54,161</u>

All the Groups borrowings are denominated in Ringgit Malaysia.

B9. Material litigation

There were no material litigation involving the Group as at 30 September 2022.

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

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/(loss) 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>30.09.2022</u>	<u>30.09.2021</u>	<u>30.09.2022</u>	<u>30.09.2021</u>
Profit/(Loss) attributable to ordinary owners of the Company (RM'000)	(2,850)	20,819	15,544	46,669
Number of ordinary shares ('000)	348,991	348,991	348,991	348,991
Basic EPS (sen)	(0.82)	5.97	4.45	13.37
Diluted EPS (sen) ⁽¹⁾	(0.82)	5.97	4.45	13.37

Note:

(1) Diluted EPS of the Company for the individual quarter and period-to-date ended 30 September 2022 and 30 September 2021 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>30.09.2022</u>	<u>30.09.2021</u>	<u>30.09.2022</u>	<u>30.09.2021</u>
	RM'000	RM'000	RM'000	RM'000
Interest Income	(100)	(121)	(365)	(420)
Interest Expenses	1,009	572	2,111	1,380
Depreciation	1,364	1,021	3,626	2,915
Foreign exchange gain				
- Realised and unrealised	(75)	(14)	(120)	(17)
(Gain)/Loss on derivatives	117	59	(24)	(63)
Gain on disposal of				
plant, property & equipment	-	(6)	-	(6)
Provision/(Reversal) of impairment losses on trade receivables	270	429	1,347	2,102
Provision/(Reversal) of inventories written down	(2,986)	980	754	6,960
Scrap income	(438)	(404)	(1,257)	(825)
Miscellaneous income	-	-	(4)	(4)

Note:

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