

**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 2020<sup>(1)</sup>**

	Note	Individual Quarter		Cumulative Quarter	
		Current Year 1st Quarter 01.01.2020 to 31.03.2020 RM'000	Preceding year Corresponding Quarter 01.01.2019 to 31.03.2019 RM'000	Current Year To-date 01.01.2020 to 31.03.2020 RM'000	Preceding year Corresponding Period 01.01.2019 to 31.03.2019 RM'000
Revenue	A9	61,353	62,779	61,353	62,779
Cost of sales		(57,486)	(58,169)	(57,486)	(58,169)
<b>Gross profit ("GP")</b>		3,867	4,610	3,867	4,610
Other operating income		269	2,669	269	2,669
Operating expenses		(2,921)	(2,370)	(2,921)	(2,370)
Profit from operation		1,215	4,909	1,215	4,909
Finance costs		(536)	(277)	(536)	(277)
Interest income		247	53	247	53
<b>Profit before taxation ("PBT")</b>	B12	926	4,685	926	4,685
Tax expenses	B6	(202)	(1,184)	(202)	(1,184)
<b>Profit before taxation ("PAT")</b>		724	3,501	724	3,501
<b>Profit for the financial period attributable to:</b>					
- Owners of the Company		724	3,501	724	3,501
<b>Total Comprehensive income for the financial period attributable to:</b>					
- Owners of the Company		724	3,501	724	3,501
<b>Earnings per share attributable to owners of the Company</b>					
- Basic (sen) <sup>(2)</sup>	B11	0.21	1.21	0.21	1.21
- Diluted (sen) <sup>(3)</sup>	B11	0.21	1.21	0.21	1.21

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 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 March 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 MARCH 2020<sup>(1)</sup>**

	<b>UNAUDITED AS AT 31.03.2020 RM'000</b>	<b>AUDITED AS AT 31.12.2019 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	70,001	70,719
<b>Total non-current assets</b>	<b>70,001</b>	<b>70,719</b>
<b>Current assets</b>		
Inventories	83,967	85,878
Trade receivables	64,029	56,206
Other receivables	1,119	1,762
Current tax assets	626	747
Cash and bank balances	43,200	37,895
<b>Total current assets</b>	<b>192,941</b>	<b>182,488</b>
<b>TOTAL ASSETS</b>	<b>262,942</b>	<b>253,207</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share Capital	179,242	179,242
Reserves	9,572	8,848
<b>Total Equity</b>	<b>188,814</b>	<b>188,090</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Lease liability	37	42
Deferred tax liabilities	10,348	10,475
<b>Total non-current liabilities</b>	<b>10,385</b>	<b>10,517</b>
<b>Current liabilities</b>		
Trade payables	13,004	14,354
Other payables	2,820	3,906
Derivate liabilities	77	77
Borrowings	47,738	36,125
Lease liabilities	104	138
<b>Total current liabilities</b>	<b>63,743</b>	<b>54,600</b>
<b>TOTAL LIABILITIES</b>	<b>74,128</b>	<b>65,117</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>262,942</b>	<b>253,207</b>
<b>NET ASSETS PER SHARE (RM)<sup>(2)</sup></b>	<b>0.54</b>	<b>0.54</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 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 FIRST (1ST) QUARTER ENDED 31 MARCH 2020<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 1.1.2019</b>	<b>20,000</b>	-	<b>20,494</b>	<b>115,289</b>	<b>155,783</b>
Adjustments on initial application MFRS16	-	-	-	(2)	(2)
<b>As at 1.1.2019 (Restatement)</b>	<b>20,000</b>	-	<b>20,494</b>	<b>115,287</b>	<b>155,781</b>
Total comprehensive income	-	-	-	3,501	<b>3,501</b>
Transfer due to crystallisation of revaluation reserves	-	-	(161)	161	-
<b>Transactions with owners</b>					
Dividends paid	-	-	-	(2,500)	<b>(2,500)</b>
Issuance of shares by the Company pursuant to be acquisition of Tashin Steel Sdn Bhd	144,831	-	-	-	<b>144,831</b>
Adjustment on the acquisition of Tashin Steel Sdn Bhd	(20,000)	(124,831)	-	-	<b>(144,831)</b>
<b>As at 31.03.2019</b>	<b>144,831</b>	<b>(124,831)</b>	<b>20,333</b>	<b>116,449</b>	<b>156,782</b>
<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	-	-	-	724	<b>724</b>
Transfer due to crystallisation of revaluation reserves	-	-	(164)	164	-
<b>As at 31.03.2020</b>	<b>179,242</b>	<b>(124,831)</b>	<b>19,677</b>	<b>114,726</b>	<b>188,814</b>

**Notes:**

- (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 FIRST (1ST) QUARTER ENDED 31 MARCH 2020<sup>(1)</sup>**

	<b>Unaudited 31.03.2020 RM'000</b>	<b>Unaudited 31.03.2019 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
<b>Profit before tax</b>	<b>926</b>	<b>4,685</b>
Adjustments for:		
Non-cash items	1,310	224
Non-operating items	289	(949)
Operating profit before working capital changes	2,525	3,960
Net change in current assets	(5,680)	(12,506)
Net change in current liabilities	(2,436)	1,115
Tax paid	(209)	(594)
Net cash used in operating activities	<b>(5,800)</b>	<b>(8,025)</b>
<b>Cash Flows From Investing Activities</b>		
Interest received	247	53
Purchases of property, plant and equipment	(180)	(30)
Net cash from investing activities	<b>67</b>	<b>23</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from issuance of shares	-	-
Repayment of lease liabilities	(41)	(25)
Drawdown of borrowings	11,613	11,946
Interest paid	(534)	(277)
Dividend paid	-	(2,500)
Net cash from financing activities	<b>11,038</b>	<b>9,144</b>
<b>Net increase in cash and cash equivalents</b>	<b>5,305</b>	<b>1,142</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>37,895</b>	<b>14,823</b>
<b>Cash and cash equivalents at the end of the financial period</b>	<b>43,200</b>	<b>15,965</b>

Notes:

- (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 is the first interim financial statements on the Company’s unaudited condensed consolidated financial results for the first (1<sup>st</sup>) quarter ended 31 March 2020 announced by the Company in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding year’s corresponding period.

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.

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

### **A6. Material changes in estimates**

There were no material changes in the estimates 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**

The COVID-19 pandemic and movement control order announced by the Government ("MCO") has significantly disrupted the Group's business activities. The Group halted business operations from 18 March 2020 to end April 2020. The Group resume business activities on 27 April 2020 after MITI operating approval letter obtained.

### **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, as at 31 March 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	462
- Approved but not contracted for	24,788
	<u>25,250</u>

**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 (1 <sup>st</sup> quarter)		Increase/ (Decrease)		Cumulative Quarter		Increase/ (Decrease)	
	Current Year Quarter 01.01.2020 to 31.03.2020 RM'000	Preceding Year Corresponding Quarter 01.01.2019 to 31.03.2019 RM'000	RM'000	%	Current Year To-Date 01.01.2020 to 31.03.2020 RM'000	Preceding Year Corresponding Period 01.01.2019 to 31.03.2019 RM'000	RM'000	%
Revenue	61,353	62,779	(1,426)	(2.27)	61,353	62,779	(1,426)	(2.27)
Profit from operation	1,215	4,909	(3,694)	(75.25)	1,215	4,909	(3,694)	(75.25)
Profit before tax	926	4,685	(3,759)	(80.23)	926	4,685	(3,759)	(80.23)
Profit for the period	724	3,501	(2,777)	(79.32)	724	3,501	(2,777)	(79.32)

For the quarter under review, the Group's revenue and profit before tax ("PBT") were RM61.35 million and RM0.93 million respectively. The revenue reduced slightly by 2% over the same quarter last year but PBT decreased RM3.76 million or 80% over same quarter last year mainly due to reduced profits margin with higher average cost of material, lower other operating income and higher financing cost.

The decreased in revenue mainly attributable to temporary halt of business operations during covid-19 MCO period.

**B2. Comparison with immediate preceding quarter's results**

	Current Quarter 01.01.2020 to 31.03.2020	Immediate Preceding Quarter 01.10.2019 to 31.12.2019	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	61,353	64,284	(2,931)	(4.56)
Profit/(Loss) from Operation	1,215	(2,473)	3,688	149.13
Profit/(Loss) before tax	926	(2,558)	3,484	136.20
Profit/(Loss) for the Period	724	(2,121)	2,845	134.13

Compared with the immediate preceding quarter, the Group's revenue for the quarter under review decreased by 4.56% from RM64.28 million to RM61.35 million. The profit before tax for the quarter under review improved by about 136.20% from preceding quarter loss of RM2.56 million to quarter profit of RM0.93 million. The improved financial performance mainly attributable to higher GP margin from preceding quarter of 2% to current quarter of 6% due to lower raw material cost and operating expenses in existing quarter under review as compare to preceding period.

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

### B3. Prospects and outlook

The Covid-19 pandemic and the MCO had adversely affected the Group's operations as the Group's operations had been halted temporary from 18 March 2020 to 26 April 2020. Although the Group was recently granted with permission to begin operation, the speed at which production can be stepped up will depend on market dynamics. The Group will continue to take necessary measures to ride out this challenging time including through ways to reduce costs and to conserve cash in order to mitigate adverse impact from this pandemic on the Group's performance.

### 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	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Current tax expenses	329	485	329	485
Deferred tax expenses	(127)	699	(127)	699
Total tax expenses	202	1,184	202	1,184

#### 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 2020 is disclosed in the following manner:

<b>Utilisation of proceeds</b>	<b>Estimated timeframe for utilisation from the date of Listing</b>	<b>Proposed Utilisation RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Percentage utilised %</b>
Land acquisition and construction of new factory				
- Land acquisition	9 months	7,200	-	-
- Construction of new factory to commence manufacturing of wire mesh, flat and square bars in this new factory	24 months	10,350	-	-
Purchase of machinery and equipment for:				
- 5 wire mesh manufacturing lines	20 months	4,100	-	-
- 1 slitting line	6 months	1,800	-	-
- 5 packing machines	6 months	1,800	198	11%
General working capital	12 months	5,961	5,000	84%
Estimated listing expenses	1 month	3,200	3,200	100%
		<b>34,411</b>	<b>8,398</b>	<b>24.4%</b>

Notes:

(1) The total actual listing expenses incurred up to 31 March 2020 was approximately RM3.34 million.

(2) 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 31.03.2020 RM'000</b>	<b>Audited as at 31.12.2019 RM'000</b>
<b>Current:</b>		
Bankers' acceptances <sup>(1)</sup>	47,738	36,125
<b>Total bank borrowings</b>	<b>47,738</b>	<b>36,125</b>

All the Groups borrowings are denominated in Ringgit Malaysia.

**Note:**

(1) A total of RM 13.76 million of our indebtedness are secured while the balance is unsecured.

## 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 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	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Profit attributable to ordinary owners of the Company (RM'000)	724	3,501	724	3,501
Number of ordinary shares ('000)	348,991	289,662	348,991	289,662
Basic EPS (sen) <sup>(1)</sup>	0.21	1.21	0.21	1.21
Diluted EPS (sen) <sup>(2)</sup>	0.21	1.21	0.21	1.21

Notes:

- (1) Basic earnings per share for 31 March 2020 is calculated based on the enlarged share capital of 348,991,000 as at 31 March 2020 and basic earnings per share for 31 March 2019 is calculated based on the pro forma enlarged share capital of 289,662,000 shares as at 31 March 2019.
- (2) Diluted EPS of the Company for the individual quarter and period-to-date ended 31 March 2020 and 31 March 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.

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

**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>31.03.2020</u>	<u>31.03.2019</u>	<u>31.03.2020</u>	<u>31.03.2019</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Interest Income	(247)	(53)	(247)	(53)
Interest Expenses	536	277	536	277
Depreciation	898	916	898	916
Foreign exchange (gain)/loss				
- Realised and unrealised	-	1	-	1
Gain on derivatives	-	(148)	-	(148)
Provison/(reversal) of impairment losses on trade receivables	141	(343)	141	(343)
Provision/(Reversal) of inventories written down	270	(1,375)	270	(1,375)
Scrap income	(269)	(576)	(269)	(576)
Miscellaneous income	-	(227)	-	(227)

**Notes:**

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