

TASHIN HOLDINGS BERHAD (REG NO.: 201701028709 (1242878-H))
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2021⁽¹⁾

		Individual Quarter		Cumulative Quarter	
		Current Year Quarter 01.04.2021 to 30.06.2021 RM'000	Preceding year Corresponding Quarter 01.04.2020 to 30.06.2020 RM'000	Current Year To-date 01.01.2021 to 30.06.2021 RM'000	Preceding year Corresponding Period 01.01.2020 to 30.06.2020 RM'000
	Note				
Revenue	A9	85,690	34,240	180,907	95,593
Cost of sales		(62,163)	(32,464)	(137,152)	(89,950)
Gross profit ("GP")		23,527	1,776	43,755	5,643
Other operating income		169	582	550	851
Operating expenses		(5,361)	(2,418)	(9,423)	(5,339)
Profit/(Loss) from operation		18,335	(60)	34,882	1,155
Finance costs		(513)	(511)	(808)	(1,047)
Interest income		125	296	299	543
Profit/(Loss) before tax ("PBT"/("LBT"))	B12	17,947	(275)	34,373	651
Tax expenses	B6	(4,331)	52	(8,523)	(150)
Profit/(Loss) after tax ("PAT"/("LAT"))		13,616	(223)	25,850	501
Profit/(Loss) for the financial period attributable to:					
- Owners of the Company		13,616	(223)	25,850	501
Total Comprehensive income for the financial period attributable to:					
- Owners of the Company		13,616	(223)	25,850	501
Earnings per share attributable to owners of the Company					
- Basic (sen) ⁽²⁾	B11	3.90	(0.06)	7.41	0.14
- Diluted (sen) ⁽³⁾	B11	3.90	(0.06)	7.41	0.14

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 June 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 JUNE 2021⁽¹⁾

	UNAUDITED AS AT 30.6.2021 RM'000	AUDITED AS AT 31.12.2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	67,658	68,804
Total non-current assets	67,658	68,804
Current assets		
Inventories	144,530	70,300
Trade receivables	84,394	64,150
Other receivables	5,022	3,471
Derivative assets	108	-
Cash and bank balances	34,281	42,983
Total current assets	268,335	180,904
TOTAL ASSETS	335,993	249,708
EQUITY AND LIABILITIES		
Equity		
Share Capital	179,242	179,242
Reserves	43,966	18,116
Total Equity	223,208	197,358
Liabilities		
Non-current liabilities		
Lease liabilities	55	110
Deferred tax liabilities	7,513	9,968
Total non-current liabilities	7,568	10,078
Current liabilities		
Trade payables	23,770	11,384
Other payables	4,126	3,697
Derivate liabilities	-	13
Borrowings	66,800	25,603
Current tax liabilities	10,381	1,446
	140	129
Total current liabilities	105,217	42,272
TOTAL LIABILITIES	112,785	52,350
TOTAL EQUITY AND LIABILITIES	335,993	249,708
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.64	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 SECOND (2ND) QUARTER ENDED 30 JUNE 2021⁽¹⁾

	<u>Attributable to owners of the parent</u>				Total Equity RM'000
	<u>Share Capital RM'000</u>	<u>Non-distributable Merger Reserve RM'000</u>	<u>Revaluation Reserve RM'000</u>	<u>Distributable Retained Earnings RM'000</u>	
As at 1.1.2020	179,242	(124,831)	19,841	113,838	188,090
Total comprehensive income	-	-	-	501	501
Transfer due to crystallisation of revaluation reserves	-	-	(329)	329	-
As at 30.06.2020	179,242	(124,831)	19,512	114,668	188,591
As at 1.1.2021	179,242	(124,831)	19,176	123,771	197,358
Total comprehensive income	-	-	-	25,850	25,850
Transfer due to crystallisation of revaluation reserves	-	-	(336)	336	-
As at 30.06.2021	179,242	(124,831)	18,840	149,957	223,208

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 SECOND (2ND) QUARTER ENDED 30 JUNE 2021⁽¹⁾

	Unaudited 30.06.2021 RM'000	Unaudited 30.06.2020 RM'000
Cash Flows From Operating Activities		
Profit before tax	34,373	651
Adjustments for:		
Non-cash items	9,425	2,220
Non-operating items	509	504
Operating profit before working capital changes	44,307	3,375
Net change in current assets	(103,678)	23,998
Net change in current liabilities	12,815	(6,441)
Tax paid	(2,043)	(209)
Net cash (used in)/from operating activities	(48,599)	20,723
Cash Flows From Investing Activities		
Interest received	299	543
Proceeds from disposal of property, plant and equipment	19	-
Purchases of property, plant and equipment	(735)	(180)
Net cash (used in)/from investing activities	(417)	363
Cash Flows From Financing Activities		
Repayment of lease liabilities	(78)	(80)
Drawdown of borrowings	41,197	177
Interest paid	(805)	(1,043)
Net cash from/(used in) financing activities	40,314	(946)
Net (decrease)/increase in cash and cash equivalents	(8,702)	20,140
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	34,281	58,035

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

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 RM43.50 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 Jun 2021:

	RM'000
Capital expenditure in respect of purchase of property, plant & equipment	
- Approved but not contracted for	4,275
- Contracted but not provided for	43,080
	47,355

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 01.04.2021 to 30.06.2021 RM'000	Preceding Year Corresponding Quarter 01.04.2020 to 30.06.2020 RM'000	RM'000	%	Current Year To-Date 01.01.2021 to 30.06.2021 RM'000	Preceding Year Corresponding Period 01.01.2020 to 30.06.2020 RM'000	RM'000	%
Revenue	85,690	34,240	51,450	150.26	180,907	95,593	85,314	89.25
Profit/(Loss) from operation	18,335	(60)	18,395	30,658.33	34,882	1,155	33,727	2,920.09
Profit/(Loss) before tax	17,947	(275)	18,222	6,626.18	34,373	651	33,722	5,180.03
Profit/(Loss) for the period	13,616	(223)	13,839	6,205.83	25,850	501	25,349	5,059.68

The Group's operations for this quarter and the preceding year's corresponding quarter were subjected to the relevant movement controls implemented by the Malaysian Government, namely FMCO 3.0 in Q2 2021 and MCO 1.0 in Q2 2020 respectively.

The Group continues to deliver strong quarter results for this quarter under review. The Group's revenue increased 150.26% to RM85.69 million from preceding year's corresponding quarter of RM34.24 million, the higher revenue was mainly due to higher sales volume and continued rise in steel prices.

With higher revenue and gross profits margin, the Group registered profit before tax of RM17.95 million for current quarter as compared to preceding year corresponding quarter loss before tax of RM 0.28 million.

The Group recorded year to date revenue of RM180.91 million and profit before tax of RM34.37 million, 89% and 5,180% higher than previous year to date revenue and profit before tax respectively mainly due to higher volume and steel prices.

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 01.04.2021 to 30.06.2021	Immediate Preceding Quarter 01.01.2021 to 31.03.2021	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	85,690	95,217	(9,527)	(10.01)
Profit from Operation	18,335	16,547	1,788	10.81
Profit before tax	17,947	16,426	1,521	9.26
Profit for the Period	13,616	12,234	1,382	11.30

Compared with the immediate preceding quarter, the Group's revenue for the quarter under review decreased 10.01% from RM95.22 million to RM85.69 million but Profit before tax increased 9.26% from RM16.43 million to RM17.95 million. The decrease in revenue was mainly attributable to the fact that the Group had to temporarily halt its business operations for the entire month of June 2021 due to FMCO 3.0 announced by the Malaysian Government.

B3. Prospects and outlook

The remaining financial year will remain challenging due largely to the Covid-19 pandemic that has adversely impacted the economy and interrupted business operations for all industries. The Group has been taking continuous initiatives and steps to mitigate the interruption in the business operation caused by Covid-19 pandemic. Although the Group's operations had to be halted for the whole June 2021 due to FMCO 3.0 and only resumed operations on 7 July 2021, the Group has so far managed to achieve encouraging financial results.

Barring any 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	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Current tax expenses	6,141	138	10,978	467
Deferred tax expenses	(1,810)	(190)	(2,455)	(317)
Total tax expenses	4,331	(52)	8,523	150

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 June 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	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	14,973	43.5%

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 30.06.2021 RM'000	Audited as at 31.12.2020 RM'000
Current liabilities:		
Secured		
Bankers' acceptances	16,937	12,972
Revolving credit	5,000	-
	21,937	12,972
Unsecured		
Bankers' acceptances	44,863	12,631
	44,863	12,631
Total bank borrowings	66,800	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 30 June 2021.

B10. Dividend

The Board of Directors does not recommend any interim dividend for the 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>30.06.2021</u>	<u>30.06.2020</u>	<u>30.06.2021</u>	<u>30.06.2020</u>
Profit/(Loss) attributable to ordinary owners of the Company (RM'000)	13,616	(223)	25,850	501
Number of ordinary shares ('000)	348,991	348,991	348,991	348,991
Basic EPS (sen)	3.90	(0.06)	7.41	0.14
Diluted EPS (sen) ⁽¹⁾	3.90	(0.06)	7.41	0.14

Note:

(1) Diluted EPS of the Company for the individual quarter and period-to-date ended 30 June 2021 and 30 June 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/(Loss) before tax is arrived after charging/(crediting):

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>30.06.2021</u>	<u>30.06.2020</u>	<u>30.06.2021</u>	<u>30.06.2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Interest Income	(125)	(296)	(299)	(543)
Interest Expenses	513	511	808	1,047
Depreciation	957	901	1,894	1,799
Foreign exchange gain				
- Realised and unrealised	(2)	-	(3)	-
Gain on derivatives	(71)	(74)	(122)	(74)
Provision/(reversal) of impairment losses on trade receivables	1,389	(53)	1,673	88
Provision of inventories written down	5,350	138	5,980	408
Scrap income	(92)	(277)	(421)	(546)
Miscellaneous income	(4)	(231)	(4)	(231)

Note:

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