

TASHIN HOLDINGS BERHAD (REG NO.: 201701028709 (1242878-H))
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2021⁽¹⁾

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 01.10.2021 to 31.12.2021 RM'000	Preceding year Corresponding Quarter 01.10.2020 to 31.12.2020 RM'000	Current Year To-date 01.01.2021 to 31.12.2021 RM'000	Preceding year Corresponding Period 01.01.2020 to 31.12.2020 RM'000
Revenue	A9	110,039	74,420	388,653	239,145
Cost of sales		(82,541)	(62,734)	(285,482)	(216,052)
Gross profit ("GP")		27,498	11,686	103,171	23,093
Other operating income		999	1,068	1,914	2,258
Operating expenses		(5,614)	(4,310)	(19,511)	(12,803)
Profit from operation		22,883	8,444	85,574	12,548
Finance costs		(625)	(143)	(2,005)	(1,465)
Interest income		207	163	627	936
Profit before tax ("PBT")	B12	22,465	8,464	84,196	12,019
Tax expenses	B6	(6,515)	(2,002)	(21,577)	(2,751)
Profit for the period		15,950	6,462	62,619	9,268
Other Comprehensive income, net of tax					
Item that not will be reclassified subsequently to profit & loss					
Revaluation surplus on property, plant & equipment net of tax	A10	4,954	-	4,954	-
Total Comprehensive income		20,904	6,462	67,573	9,268
Profit for the financial period attributable to:					
- Owners of the Company		15,950	6,462	62,619	9,268
Total Comprehensive income for the financial period attributable to:					
- Owners of the Company		20,904	6,462	67,573	9,268
Earnings per share attributable to owners of the Company					
- Basic (sen) ⁽²⁾	B11	4.57	1.85	17.94	2.66
- Diluted (sen) ⁽³⁾	B11	4.57	1.85	17.94	2.66

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 December 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 DECEMBER 2021⁽¹⁾

	UNAUDITED AS AT 31.12.2021 RM'000	AUDITED AS AT 31.12.2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	77,265	68,804
Total non-current assets	77,265	68,804
Current assets		
Inventories	164,373	70,300
Trade receivables	77,799	64,150
Other receivables	7,694	3,471
Cash and bank balances	72,026	42,983
Total current assets	321,892	180,904
TOTAL ASSETS	399,157	249,708
EQUITY AND LIABILITIES		
Equity		
Share Capital	179,242	179,242
Reserves	76,964	18,116
Total Equity	256,206	197,358
Liabilities		
Non-current liabilities		
Lease liabilities	125	110
Retirement benefit obligations	1,222	-
Deferred tax liabilities	9,290	9,968
Total non-current liabilities	10,637	10,078
Current liabilities		
Trade payables	54,851	11,384
Other payables	14,098	3,697
Derivate liabilities	3	13
Borrowings	54,161	25,603
Current tax liabilities	9,073	1,446
Lease liabilities	128	129
Total current liabilities	132,314	42,272
TOTAL LIABILITIES	142,951	52,350
TOTAL EQUITY AND LIABILITIES	399,157	249,708
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.73	0.57

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 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 FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2021⁽¹⁾

	Attributable to owners of the parent				Total Equity RM'000
	Share Capital RM'000	Non-distributable Merger Reserve RM'000	Revaluation Reserve RM'000	Distributable Retained Earnings RM'000	
As at 1.1.2020	179,242	(124,831)	19,841	113,838	188,090
Total comprehensive income	-	-	-	9,268	9,268
Transfer due to crystallisation of revaluation reserves	-	-	(665)	665	-
As at 31.12.2020	179,242	(124,831)	19,176	123,771	197,358
As at 1.1.2021	179,242	(124,831)	19,176	123,771	197,358
Profit for the financial year	-	-	-	62,619	62,619
Revaluation surplus	-	-	4,954	-	4,954
Transfer due to crystallisation of revaluation reserves	-	-	(697)	697	-
Transactions with owners					
Dividends paid	-	-	-	(8,725)	(8,725)
As at 31.12.2021	179,242	(124,831)	23,433	178,362	256,206

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 FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2021⁽¹⁾

	Unaudited 31.12.2021 RM'000	Audited 31.12.2020 RM'000
Cash Flows From Operating Activities		
Profit before tax	84,196	12,019
Adjustments for:		
Non-cash items	13,066	3,871
Non-operating items	1,378	529
Operating profit before working capital changes	98,640	16,419
Net change in current assets	(119,838)	5,640
Net change in current liabilities	53,868	(3,179)
Tax paid	(16,192)	(1,065)
Net cash from operating activities	16,478	17,815
Cash Flows From Investing Activities		
Interest received	627	936
Proceeds from disposal of property, plant and equipment	122	-
Purchases of property, plant and equipment	(5,839)	(1,480)
Net cash used in investing activities	(5,090)	(544)
Cash Flows From Financing Activities		
Repayment of lease liabilities	(182)	(207)
Drawdown of borrowings	28,558	(10,522)
Interest paid	(1,996)	(1,454)
Dividend paid	(8,725)	-
Net cash from/(used in) financing activities	17,655	(12,183)
Net increase in cash and cash equivalents	29,043	5,088
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	72,026	42,983

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>
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
<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
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS112 <i>Income Taxes</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 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.

A single-tier interim dividend of 2.0 sen per ordinary share amounting to RM 6,979,820 in respect of the financial year ended 31 December 2021 was paid on 16 December 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

For the quarter under review, the Group's property, plant and equipment were revalued by an independent firm of professional valuers based on market value. Arising from the said revaluation, the surpluses net of deferred tax amounting to RM4.95 million was credited to the asset revaluation reserve.

A11. Material events subsequent to the end of the current financial quarter

On 23 April 2021, Tashin Hardware Sdn. Bhd (THSB), a wholly owned subsidiary of the Company entered into a Sales and Purchase Agreement (SPA) 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.

On 21 January 2022, THSB entered into Supplemental Agreement to the SPA with the Vendor to extend the deadline to fulfil all requisite consents to 23 July 2022. The Penang State's consent dated 11 January 2022 duly received on 26 January 2022. The completion date is on 25 April 2022 and extended completion is 25 June 2022.

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, the Group does not have any other material capital commitment as at 31 December 2021:

	RM'000
Capital expenditure in respect of purchase of property, plant & equipment	
- Approved but not contracted for	2,085
- Approved and contracted for	43,045
	45,130

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 01.10.2021 to 31.12.2021 RM'000	Preceding Year Corresponding Quarter 01.10.2020 to 31.12.2020 RM'000	RM'000	%	Current Year To-Date 01.01.2021 to 31.12.2021 RM'000	Preceding Year Corresponding Period 01.01.2020 to 31.12.2020 RM'000	RM'000	%
Revenue	110,039	74,420	35,619	47.86	388,653	239,145	149,508	62.52
Profit from operation	22,883	8,444	14,439	171.00	85,574	12,548	73,026	581.97
Profit before tax	22,465	8,464	14,001	165.42	84,196	12,019	72,177	600.52
Profit for the period	15,950	6,462	9,488	146.83	62,619	9,268	53,351	575.65

For the individual quarter under review, the Group's revenue and profit before tax were RM110.04 million and RM22.47 million respectively. The Group's revenue increased 47.86% to RM110.04 million from preceding year's corresponding quarter of RM74.42 million. The higher revenue was mainly due to significant increase in steel price, whereas sales volume for current quarter reduced 13% compared to preceding year's corresponding quarter.

With higher revenue and gross profits margin, the Group registered profit before tax of RM22.47 million for current quarter as compared to preceding year corresponding quarter profit before tax of RM 8.46 million. This quarter under review also absorbed the initial set-up past service costs of RM1.22 million for retirement benefit obligations which were introduced in the financial year under review.

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

B1. Review of Performance of the company and its principal subsidiaries for the current quarter and financial year-to-date ("YTD") (CONT'D)

The Group recorded year to date revenue of RM388.65 million and profit before tax of RM84.20 million, 63% and 601% higher than previous year to date revenue and profit before tax respectively mainly due to higher steel price and the increase in gross profits margin.

B2. Comparison with immediate preceding quarter's results

	Current Quarter 01.10.2021 to 31.12.2021	Immediate Preceding Quarter 01.07.2021 to 30.09.2021	Increase/ (Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	110,039	97,707	12,332	12.62
Profit from Operation	22,883	27,809	(4,926)	(17.71)
Profit before tax	22,465	27,358	(4,893)	(17.89)
Profit for the Period	15,950	20,819	(4,869)	(23.39)

Compared with the immediate preceding quarter, the Group's revenue for the quarter under review increased 12.62% from RM97.71 million to RM110.04 million whereas profit before tax decreased 17.89% from RM27.36 million to RM22.47 million mainly due to lower average selling price, reduced gross profits margin & higher operating expenses which included the RM1.22 million initial set-up past service costs of retirement benefits as mentioned above in existing quarter under review as compare to preceding period.

B3. Prospects and outlook

The general outlook for the Malaysian economy and business environment for steel industry will remain cautious in view of spike of covid-19 cases and negative impact from supply chain disruption. Weaker steel price and stiff competition in local market will continue to squeeze profit margin in next financial year.

The Group's expansion plan through the acquisition of industrial land and factory building expected to complete in Q2 financial year 2022, will improve operations efficiency and contribute to the increase in sales growth.

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

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.

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

B6. Income tax expenses

	Individual Quarter		Cumulative Quarter	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Current tax expenses	5,831	1,929	23,819	3,258
Deferred tax expenses	684	73	(2,242)	(507)
Total tax expenses	6,515	2,002	21,577	2,751

Note:

(1) Income tax expense is recognised based on management's best estimate.

B7. Utilisation of proceeds from the IPO

The gross proceeds raised from the public issue and status of utilisation as at 31 December 2021 is disclosed in the following manner:

Utilisation of proceeds	Revised Deadline	Proposed Utilisation RM'000	Actual utilisation RM'000	Percentage utilised %
Acquisition of Industrial Land and Buildings	31 July 2022	19,565	4,350	22%
Purchase of machinery and equipment for:				
- 3 rotary/auto shearing machines and 1 compressor	31 December 2022	2,085	-	-
- 1 slitting line	30 June 2022	1,800	768	43%
- 5 packing machines	30 June 2022	1,800	1,420	79%
General working capital	31 July 2020	5,961	5,961	100%
Estimated listing expenses	31 August 2019	3,200	3,200	100%
		34,411	15,699	46%

Note:

(1) The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 25 June 2019.

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

B8. Group bank borrowings

	As at 31.12.2021 RM'000	Audited as at 31.12.2020 RM'000
Current liabilities:		
Secured		
Bankers' acceptances	15,744	12,972
	<u>15,744</u>	<u>12,972</u>
Unsecured		
Bankers' acceptances	38,417	12,631
	<u>38,417</u>	<u>12,631</u>
Total bank borrowings	<u><u>54,161</u></u>	<u><u>25,603</u></u>

All the Groups borrowings are denominated in Ringgit Malaysia.

B9. Material litigation

There were no material litigation involving the Group as at 31 December 2021.

B10. Dividend

The Board of Directors has recommended a final single-tier dividend of 3.0 sen per ordinary share amounting to RM10,469,730 in respect of the financial year ended 31 December 2021, subject to the approval of the shareholders in the forthcoming Annual General Meeting.

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	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Profit/(Loss) attributable to ordinary owners of the Company (RM'000)	15,950	6,462	62,619	9,268
Number of ordinary shares ('000)	348,991	348,991	348,991	348,991
Basic EPS (sen)	4.57	1.85	17.94	2.66
Diluted EPS (sen) ⁽¹⁾	4.57	1.85	17.94	2.66

Note:

(1) Diluted EPS of the Company for the individual quarter and period-to-date ended 31 December 2021 and 31 December 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.

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>31.12.2021</u>	<u>31.12.2020</u>	<u>31.12.2021</u>	<u>31.12.2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Interest Income	(207)	(163)	(627)	(936)
Interest Expenses	625	143	2,005	1,465
Depreciation	1,039	922	3,954	3,651
Foreign exchange gain				
- Realised and unrealised	-	1	(17)	1
(Gain)/loss on derivatives	53	(3)	(10)	(64)
Loss on disposal of				
plant, property & equipment	14	-	8	-
Provision/(reversal) of impairment				
losses on trade receivables	(1,334)	(255)	768	(26)
Provision/(reversal) of inventories				
written down	164	(368)	7,124	310
Scrap income	(926)	(700)	(1,751)	(1,421)
Miscellaneous income	(129)	(139)	(133)	(547)

Note:

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