

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 2022⁽¹⁾

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 01.01.2022 to 31.03.2022 RM'000	Preceding year Corresponding Quarter 01.01.2021 to 31.03.2021 RM'000	Current Year To-date 01.01.2022 to 31.03.2022 RM'000	Preceding year Corresponding Period 01.01.2021 to 31.03.2021 RM'000
Revenue	A9	119,537	95,217	119,537	95,217
Cost of sales		(98,998)	(74,989)	(98,998)	(74,989)
Gross profit ("GP")		20,539	20,228	20,539	20,228
Other operating income		297	381	297	381
Operating expenses		(4,852)	(4,062)	(4,852)	(4,062)
Profit from operation		15,984	16,547	15,984	16,547
Finance costs		(500)	(295)	(500)	(295)
Interest income		115	174	115	174
Profit before tax ("PBT")	B12	15,599	16,426	15,599	16,426
Tax expenses	B6	(3,556)	(4,192)	(3,556)	(4,192)
Profit for the period		12,043	12,234	12,043	12,234
Profit for the financial period attributable to:					
- Owners of the Company		12,043	12,234	12,043	12,234
Total Comprehensive income for the financial period attributable to:					
- Owners of the Company		12,043	12,234	12,043	12,234
Earnings per share attributable to owners of the Company					
- Basic (sen) ⁽²⁾	B11	3.45	3.51	3.45	3.51
- Diluted (sen) ⁽³⁾	B11	3.45	3.51	3.45	3.51

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 31 March 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 31 MARCH 2022⁽¹⁾

	UNAUDITED AS AT 31.03.2022 RM'000	AUDITED AS AT 31.12.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	79,455	77,265
Total non-current assets	79,455	77,265
Current assets		
Inventories	163,459	164,373
Trade receivables	88,090	77,799
Other receivables	28,552	7,694
Derivative assets	64	-
Cash and bank balances	33,572	72,026
Total current assets	313,737	321,892
TOTAL ASSETS	393,192	399,157
EQUITY AND LIABILITIES		
Equity		
Share Capital	179,242	179,242
Reserves	89,007	76,964
Total Equity	268,249	256,206
Liabilities		
Non-current liabilities		
Borrowings	1,800	-
Lease liabilities	68	125
Provision for retirement benefits	1,248	1,222
Deferred tax liabilities	8,565	9,290
Total non-current liabilities	11,681	10,637
Current liabilities		
Trade payables	36,187	54,851
Other payables	6,577	14,098
Borrowings	62,734	54,161
Derivate liabilities	-	3
Lease liabilities	214	128
Current tax liabilities	7,550	9,073
Total current liabilities	113,262	132,314
TOTAL LIABILITIES	124,943	142,951
TOTAL EQUITY AND LIABILITIES	393,192	399,157
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.77	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 FIRST (1ST) QUARTER ENDED 31 MARCH 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	-	-	-	12,234	12,234
Transfer due to crystallisation of revaluation reserves	-	-	(167)	167	-
As at 31.03.2021	179,242	(124,831)	19,009	136,172	209,592
As at 1.1.2022	179,242	(124,831)	23,433	178,362	256,206
Total comprehensive income	-	-	-	12,043	12,043
Transfer due to crystallisation of revaluation reserves	-	-	(197)	197	-
As at 31.03.2022	179,242	(124,831)	23,236	190,602	268,249

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 FIRST (1ST) QUARTER ENDED 31 MARCH 2022⁽¹⁾

	Unaudited 31.03.2022 RM'000	Unaudited 31.03.2021 RM'000
Cash Flows From Operating Activities		
Profit before tax	15,599	16,426
Adjustments for:		
Non-cash items	1,791	1,799
Non-operating items	406	121
Operating profit before working capital changes	17,796	18,346
Net change in current assets	(31,031)	(55,301)
Net change in current liabilities	(26,185)	17,593
Tax paid	(5,804)	(1,533)
Net cash used in operating activities	(45,224)	(20,895)
Cash Flows From Investing Activities		
Interest received	94	174
Purchases of property, plant and equipment	(3,150)	(417)
Net cash used in investing activities	(3,056)	(243)
Cash Flows From Financing Activities		
Repayment of lease liabilities	(49)	(42)
Drawdown of borrowings	10,373	23,536
Interest paid	(498)	(294)
Net cash from financing activities	9,826	23,200
Net (decrease)/increase in cash and cash equivalents	(38,454)	2,062
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	33,572	45,045

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

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 (CSC). 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 acquisition has been completed on 13 May 2022 as the requisite consents has been fulfilled and the vendor has received the balance of purchase price amounting to RM39.15 million.

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 March 2022:

	RM'000
Capital expenditure in respect of purchase of property, plant & equipment	
- Approved but not contracted for	2,085
- Approved and contracted for	21,343
	23,428

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 01.01.2022 to 31.03.2022 RM'000	Preceding Year Corresponding Quarter 01.01.2021 to 31.03.2021 RM'000	RM'000	%	Current Year To-Date 01.01.2022 to 31.03.2022 RM'000	Preceding Year Corresponding Period 01.01.2021 to 31.03.2021 RM'000	RM'000	%
Revenue	119,537	95,217	24,320	25.54	119,537	95,217	24,320	25.54
Profit from operation	15,984	16,547	(563)	(3.40)	15,984	16,547	(563)	(3.40)
Profit before tax	15,599	16,426	(827)	(5.03)	15,599	16,426	(827)	(5.03)
Profit for the period	12,043	12,234	(191)	(1.56)	12,043	12,234	(191)	(1.56)

For the individual quarter under review, the Group's revenue and profit before tax were RM119.54 million and RM15.60 million respectively. The Group's revenue increased 25.54% to RM119.54 million from preceding year's corresponding quarter of RM95.22 million. The higher revenue was mainly due to higher average selling price, whereas sales volume for current quarter reduced 3% compared to preceding year's corresponding quarter.

The Group registered profit before tax of RM15.60 million for current quarter as compared to preceding year corresponding quarter profit before tax of RM 16.43 million. PBT decreased RM0.83 million or 5% over same quarter last year mainly due to reduced gross profit margin with higher average cost of material, higher operating expenses and finance cost.

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 01.01.2022 to 31.03.2022	Immediate Preceding Quarter 01.10.2021 to 31.12.2021	Increase/ (Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	119,537	110,039	9,498	8.63
Profit from Operation	15,984	22,883	(6,899)	(30.15)
Profit before tax	15,599	22,465	(6,866)	(30.56)
Profit for the Period	12,043	15,950	(3,907)	(24.50)

Compared with the immediate preceding quarter, the Group's revenue for the quarter under review increased 8.63% from RM110.04 million to RM119.54 million while sales volume increased by 17.96%. Lower profit before tax from RM22.47 million to RM15.60 million mainly due to higher average cost of material, reduced gross profit margin and lower other operating income.

B3. Prospects and outlook

The Malaysian Government has removed all restrictions for Covid-19 movement control measures in May 2022. The economy and domestic demand is expected to remain on its recovery path with reopening of borders.

For global economy, the geopolitical conflicts and prolonged Russia-Ukraine war will have major impact on world's economy and higher inflation. Supply chain disruptions, sanctions, volatility in commodity prices and foreign exchange (forex) also bear the potential of prolonged delivery times and high production costs for manufacturers across the globe.

In response to this challenging business environment, the Group is committed to adopt pragmatic and prudent strategies in inventories management and hedging policy to manage and mitigate the business operations and forex risks.

Barring unforeseen circumstances, the Board is cautiously optimistic that the Group will continue to deliver satisfactory performance for financial year 2022.

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	
	31.03.2022 RM'000	31.03.2021 RM'000	31.03.2022 RM'000	31.03.2021 RM'000
Current tax expenses	4,281	4,837	4,281	4,837
Deferred tax expenses	(725)	(645)	(725)	(645)
Total tax expenses	3,556	4,192	3,556	4,192

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 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	-	-
- 1 slitting line	30 June 2022	1,800	1,800	100%
- 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	31,946	93%

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 31.03.2022 RM'000	Audited as at 31.12.2021 RM'000
Current liabilities:		
Secured	14,917	15,744
Unsecured	47,817	38,417
	<u>62,734</u>	<u>54,161</u>
Non-current liabilities:		
Unsecured	<u>1,800</u>	<u>-</u>
Total bank borrowings	<u>64,534</u>	<u>54,161</u>

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 31 March 2022.

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:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>31.03.2022</u>	<u>31.03.2021</u>	<u>31.03.2022</u>	<u>31.03.2021</u>
Profit attributable to ordinary owners of the Company (RM'000)	12,043	12,234	12,043	12,234
Number of ordinary shares ('000)	348,991	348,991	348,991	348,991
Basic EPS (sen)	3.45	3.51	3.45	3.51
Diluted EPS (sen) ⁽¹⁾	3.45	3.51	3.45	3.51

Note:

(1) Diluted EPS of the Company for the individual quarter and period-to-date ended 31 March 2022 and 31 March 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 before tax is arrived after charging/(crediting):

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>31.03.2022</u>	<u>31.03.2021</u>	<u>31.03.2022</u>	<u>31.03.2021</u>
	RM'000	RM'000	RM'000	RM'000
Interest Income	(115)	(174)	(115)	(174)
Interest Expenses	500	295	500	295
Depreciation	1,035	937	1,035	937
Foreign exchange gain				
- Realised and unrealised	(19)	(1)	(19)	(1)
(Gain)/loss on derivatives	(68)	(51)	(68)	(51)
Provision/(reversal) of impairment losses on trade receivables	307	284	307	284
Provision/(reversal) of inventories written down	490	630	490	630
Scrap income	(210)	(329)	(210)	(329)

Note:

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