

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 2022⁽¹⁾

		Individual Quarter		Cumulative Quarter	
		Current Year Quarter 01.04.2022 to 30.06.2022 RM'000	Preceding year Corresponding Quarter 01.04.2021 to 30.06.2021 RM'000	Current Year To-date 01.01.2022 to 30.06.2022 RM'000	Preceding year Corresponding Period 01.01.2021 to 30.06.2021 RM'000
	Note				
Revenue	A9	103,893	85,690	223,430	180,907
Cost of sales		(90,781)	(62,163)	(189,779)	(137,152)
Gross profit ("GP")		13,112	23,527	33,651	43,755
Other operating income		712	169	1,009	550
Operating expenses		(5,766)	(5,361)	(10,618)	(9,423)
Profit from operation		8,058	18,335	24,042	34,882
Finance costs		(602)	(513)	(1,102)	(808)
Interest income		150	125	265	299
Profit before tax ("PBT")	B12	7,606	17,947	23,205	34,373
Tax expenses	B6	(1,255)	(4,331)	(4,811)	(8,523)
Profit for the period		6,351	13,616	18,394	25,850
Profit for the financial period attributable to:					
- Owners of the Company		6,351	13,616	18,394	25,850
Total Comprehensive income for the financial period attributable to:					
- Owners of the Company		6,351	13,616	18,394	25,850
Earnings per share attributable to owners of the Company					
- Basic (sen) ⁽²⁾	B11	1.82	3.90	5.27	7.41
- Diluted (sen) ⁽³⁾	B11	1.82	3.90	5.27	7.41

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 June 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 JUNE 2022⁽¹⁾

	UNAUDITED AS AT 30.06.2022 RM'000	AUDITED AS AT 31.12.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	125,410	77,265
Total non-current assets	125,410	77,265
Current assets		
Inventories	198,908	164,373
Trade receivables	82,555	77,799
Other receivables	3,022	7,694
Derivative assets	137	-
Cash and bank balances	35,207	72,026
Total current assets	319,829	321,892
TOTAL ASSETS	445,239	399,157
EQUITY AND LIABILITIES		
Equity		
Share Capital	179,242	179,242
Reserves	95,358	76,964
Total Equity	274,600	256,206
Liabilities		
Non-current liabilities		
Borrowings	19,575	-
Lease liabilities	84	125
Provision for retirement benefits	1,287	1,222
Deferred tax liabilities	7,597	9,290
Total non-current liabilities	28,543	10,637
Current liabilities		
Trade payables	33,771	54,851
Other payables	4,799	14,098
Borrowings	97,196	54,161
Derivate liabilities	-	3
Lease liabilities	181	128
Current tax liabilities	6,149	9,073
Total current liabilities	142,096	132,314
TOTAL LIABILITIES	170,639	142,951
TOTAL EQUITY AND LIABILITIES	445,239	399,157
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.79	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 SECOND (2ND) QUARTER ENDED 30 JUNE 2022⁽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 1.1.2021	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
As at 1.1.2022	179,242	(124,831)	23,433	178,362	256,206
Total comprehensive income	-	-	-	18,394	18,394
Transfer due to crystallisation of revaluation reserves	-	-	(396)	396	-
As at 30.06.2022	179,242	(124,831)	23,037	197,152	274,600

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 SECOND (2ND) QUARTER ENDED 30 JUNE 2022⁽¹⁾

	Unaudited 30.06.2022 RM'000	Unaudited 30.06.2021 RM'000
Cash Flows From Operating Activities		
Profit before tax	23,205	34,373
Adjustments for:		
Non-cash items	7,003	9,425
Non-operating items	837	509
Operating profit before working capital changes	31,045	44,307
Net change in current assets	(39,435)	(103,678)
Net change in current liabilities	(30,379)	12,815
Tax paid	(9,428)	(2,043)
Net cash used in operating activities	(48,197)	(48,599)
Cash Flows From Investing Activities		
Interest received	265	299
Proceeds from disposal of property, plant and equipment	-	19
Purchases of property, plant and equipment	(50,313)	(735)
Net cash used in investing activities	(50,048)	(417)
Cash Flows From Financing Activities		
Repayment of lease liabilities	(88)	(78)
Drawdown of borrowings	62,610	41,197
Interest paid	(1,096)	(805)
Net cash from financing activities	61,426	40,314
Net decrease in cash and cash equivalents	(36,819)	(8,702)
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	35,207	34,281

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 June 2022:

	RM'000
Capital expenditure in respect of purchase of property, plant & equipment	
- Approved but not contracted for	2,085
- Approved and contracted for	1,155
	3,240

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	Preceding Year Corresponding Quarter			Current Year To-Date	Preceding Year Corresponding Period		
	01.04.2022 to 30.06.2022 RM'000	01.04.2021 to 30.06.2021 RM'000	RM'000	%	01.01.2022 to 30.06.2022 RM'000	01.01.2021 to 30.06.2021 RM'000	RM'000	%
Revenue	103,893	85,690	18,203	21.24	223,430	180,907	42,523	23.51
Profit from operation	8,058	18,335	(10,277)	(56.05)	24,042	34,882	(10,840)	(31.08)
Profit before tax	7,606	17,947	(10,341)	(57.62)	23,205	34,373	(11,168)	(32.49)
Profit for the period	6,351	13,616	(7,265)	(53.36)	18,394	25,850	(7,456)	(28.84)

For the individual quarter under review, the Group's revenue and profit before tax were RM103.89 million and RM7.61 million respectively. The Group's revenue increased 21.24% to RM103.89 million from preceding year's corresponding quarter of RM85.69 million. The higher revenue was mainly due to higher average selling price and sales volume for current quarter compared to preceding year's corresponding quarter.

The Group registered profit before tax of RM7.61 million for current quarter as compared to preceding year corresponding quarter profit before tax of RM 17.95 million. PBT decreased RM10.34 million or 57.62% over same quarter last year mainly due to reduced gross profit margin with increased average cost of material and higher operating expenses.

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 01.04.2022 to 30.06.2022	Immediate Preceding Quarter 01.01.2022 to 31.03.2022	Increase/ (Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	103,893	119,537	(15,644)	(13.09)
Profit from Operation	8,058	15,984	(7,926)	(49.59)
Profit before tax	7,606	15,599	(7,993)	(51.24)
Profit for the Period	6,351	12,043	(5,692)	(47.26)

Compared with the immediate preceding quarter, the Group's revenue for the quarter under review decreased 13.09% from RM119.54 million to RM103.89 million while sales volume decreased by 16.33%. Lower profit before tax from RM15.60 million to RM7.61 million mainly due to reduced gross profit margin and higher average cost of material.

B3. Prospects and outlook

The weakening global economy amid rising inflation, volatile energy market and rising interest rate will have major impact on local economy and manufacturing industries.

The steel market sentiment remained in very cautious mood that may be resulting in a weak and volatile market trend. In response to this challenging business environment, the Group will continue adopting a prudent approach as the steel prices are expected to be volatile throughout the year, as to minimise the impact to the profit margin of the Group.

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	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
Current tax expenses	2,223	6,141	6,504	10,978
Deferred tax expenses	(968)	(1,810)	(1,693)	(2,455)
Total tax expenses	1,255	4,331	4,811	8,523

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 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	1,800	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	32,326	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 30.06.2022 RM'000	Audited as at 31.12.2021 RM'000
Current liabilities:		
Secured	29,676	15,744
Unsecured	67,520	38,417
	<u>97,196</u>	<u>54,161</u>
Non-current liabilities:		
Unsecured	<u>19,575</u>	<u>-</u>
Total bank borrowings	<u>116,771</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 30 June 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:

	Individual Quarter		Cumulative Quarter	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Profit attributable to ordinary owners of the Company (RM'000)	6,351	13,616	18,394	25,850
Number of ordinary shares ('000)	348,991	348,991	348,991	348,991
Basic EPS (sen)	1.82	3.90	5.27	7.41
Diluted EPS (sen) ⁽¹⁾	1.82	3.90	5.27	7.41

Note:

(1) Diluted EPS of the Company for the individual quarter and period-to-date ended 30 June 2022 and 30 June 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):

	Individual Quarter		Cumulative Quarter	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Interest Income	(150)	(125)	(265)	(299)
Interest Expenses	602	513	1,102	808
Depreciation	1,227	957	2,262	1,894
Foreign exchange gain				
- Realised and unrealised	(26)	(2)	(45)	(3)
Gain on derivatives	(73)	(71)	(141)	(122)
Provision of impairment losses on trade receivables	770	1,389	1,077	1,673
Provision of inventories written down	3,250	5,350	3,740	5,980
Scrap income	(609)	(92)	(819)	(421)
Miscellaneous income	(4)	(4)	(4)	(4)

Note:

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