

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 2022⁽¹⁾

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 01.10.2022 to 31.12.2022 RM'000	Preceding year Corresponding Quarter 01.10.2021 to 31.12.2021 RM'000	Current Year To-date 01.01.2022 to 31.12.2022 RM'000	Preceding year Corresponding Period 01.01.2021 to 31.12.2021 RM'000
Revenue	A9	98,532	110,039	434,303	388,653
Cost of sales		(99,882)	(82,541)	(400,093)	(285,482)
Gross profit/(loss) ("GP"/"GL")		(1,350)	27,498	34,210	103,171
Other operating income		2,850	999	4,255	1,914
Operating expenses		(3,352)	(5,614)	(18,739)	(19,511)
Profit/(Loss) from operation		(1,852)	22,883	19,726	85,574
Finance costs		(881)	(625)	(2,992)	(2,005)
Interest income		209	207	574	627
Profit/(Loss) before tax ("PBT"/"LBT")	B12	(2,524)	22,465	17,308	84,196
Tax expenses	B6	105	(6,515)	(4,183)	(21,577)
Profit/(Loss) for the period ("PAT"/"LAT")		(2,419)	15,950	13,125	62,619
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		(2,419)	20,904	13,125	67,573
Profit/(Loss) for the financial period attributable to:					
- Owners of the Company		(2,419)	15,950	13,125	62,619
Total Comprehensive income for the financial period attributable to:					
- Owners of the Company		(2,419)	20,904	13,125	67,573
Earnings per share attributable to owners of the Company					
- Basic (sen) ⁽²⁾	B11	(0.69)	4.57	3.76	17.94
- Diluted (sen) ⁽³⁾	B11	(0.69)	4.57	3.76	17.94

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 December 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 DECEMBER 2022⁽¹⁾

	UNAUDITED AS AT 31.12.2022 RM'000	AUDITED AS AT 31.12.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	129,939	77,265
Total non-current assets	129,939	77,265
Current assets		
Inventories	108,984	164,373
Trade receivables	84,000	77,799
Other receivables	1,379	7,694
Current tax assets	2,529	-
Cash and bank balances	50,676	72,026
Total current assets	247,568	321,892
TOTAL ASSETS	377,507	399,157
EQUITY AND LIABILITIES		
Equity		
Share Capital	179,242	179,242
Reserves	79,620	76,964
Total Equity	258,862	256,206
Liabilities		
Non-current liabilities		
Borrowings	18,124	-
Lease liabilities	623	125
Provision for retirement benefits	1,372	1,222
Deferred tax liabilities	8,660	9,290
Total non-current liabilities	28,779	10,637
Current liabilities		
Trade payables	30,874	54,851
Other payables	9,554	14,098
Borrowings	48,917	54,161
Derivate liabilities	129	3
Lease liabilities	392	128
Current tax liabilities	-	9,073
Total current liabilities	89,866	132,314
TOTAL LIABILITIES	118,645	142,951
TOTAL EQUITY AND LIABILITIES	377,507	399,157
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.74	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 FOURTH (4TH) QUARTER ENDED 31 DECEMBER 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	-	-	-	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
As at 1.1.2022	179,242	(124,831)	23,433	178,362	256,206
Total comprehensive income	-	-	-	13,125	13,125
Transfer due to crystallisation of revaluation reserves	-	-	(799)	799	-
Transactions with owners					
Dividends paid	-	-	-	(10,469)	(10,469)
As at 31.12.2022	179,242	(124,831)	22,634	181,817	258,862

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 FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2022⁽¹⁾

	Unaudited 31.12.2022 RM'000	Audited 31.12.2021 RM'000
Cash Flows From Operating Activities		
Profit before tax	17,308	84,196
Adjustments for:		
Non-cash items	3,736	13,065
Non-operating items	2,418	1,378
Operating profit before working capital changes	23,462	98,639
Net change in current assets	57,137	(119,837)
Net change in current liabilities	(28,521)	53,868
Tax paid	(16,415)	(16,192)
Net cash from operating activities	35,663	16,478
Cash Flows From Investing Activities		
Interest received	574	627
Proceeds from disposal of property, plant and equipment	-	122
Purchases of property, plant and equipment	(57,392)	(5,839)
Net cash used in investing activities	(56,818)	(5,090)
Cash Flows From Financing Activities		
Drawdown of borrowings	12,881	28,558
Drawdown/(Repayment) of lease liabilities	361	(182)
Interest paid	(2,968)	(1,996)
Dividend paid	(10,469)	(8,725)
Net cash (used in)/from financing activities	(195)	17,655
Net (decrease)/increase in cash and cash equivalents	(21,350)	29,043
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	50,676	72,026

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
Non-current liabilities with Covenants (Amendments to MFRS 101 <i>Presentation of Financial Statements</i>)	1 January 2024
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 31 December 2022:

	RM'000
Capital expenditure in respect of purchase of property, plant & equipment	
- Approved but not contracted for	1,105
- Approved and contracted for	511
	1,616

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		
	01.10.2022 to 31.12.2022 RM'000	01.10.2021 to 31.12.2021 RM'000	RM'000	%	01.01.2022 to 31.12.2022 RM'000	01.01.2021 to 31.12.2021 RM'000	RM'000	%
Revenue	98,532	110,039	(11,507)	(10.46)	434,303	388,653	45,650	11.75
Profit/(Loss) from operation	(1,852)	22,883	(24,735)	(108.09)	19,726	85,574	(65,848)	(76.95)
Profit/(Loss) before tax	(2,524)	22,465	(24,989)	(111.24)	17,308	84,196	(66,888)	(79.44)
Profit/(Loss) for the period	(2,419)	15,950	(18,369)	(115.17)	13,125	62,619	(49,494)	(79.04)

For the individual quarter under review, the Group's revenue decreased 10.46% to RM98.53 million from the preceding year's corresponding quarter of RM110.04 million. The lower revenue was mainly due to lower average selling price whereas sales volume increased 14.75% for the current quarter as compared to the preceding year's corresponding quarter.

The Group registered a loss before tax of RM 2.52 million for the current quarter as compared to the preceding year's corresponding quarter profit before tax ("PBT") of RM22.47 million. PBT decreased RM24.99 million or 111.24% over the same quarter last year mainly due to decreased average selling price and gross profit ("GP") margin.

YTD, the Group's revenue grew by 11.75% to RM434.30 million as compared to RM388.65 million in the preceding year's corresponding period. However, PBT decreased to RM17.31 million from RM84.20 million as compared to previous year mainly due to lower average selling price and GP margin.

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 01.10.2022 to 31.12.2022	Immediate Preceding Quarter 01.07.2022 to 30.09.2022	Increase/ (Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	98,532	112,341	(13,809)	(12.29)
Loss from Operation	(1,852)	(2,464)	612	24.84
Loss before tax ("LBT")	(2,524)	(3,373)	849	25.17
Loss for the Period (LAT")	(2,419)	(2,850)	431	15.12

Compared with the immediate preceding quarter, the Group's revenue for the current quarter under review decreased by 12.29% from RM112.34 million to RM98.53 million mainly due to lower sales volume by 10.78%. The LBT for the current quarter under review reduced 25.17% from loss of RM3.37 million to loss of RM2.52 million as compared to the immediate preceding quarter mainly due to higher other operating income in current quarter under review.

B3. Prospects and outlook

During the quarter under review, the general outlook for the Malaysian economy and business environment for steel industry remains cautious. However, steel prices have stabilised and rebounded since January 2023.

The Group's newly installed machineries on factory buildings acquired under the IPO plan is expected to be fully operational by Q1'2023, this new production capacities will boost sales growth and improve production efficiency for financial year 2023.

Barring 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	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Current tax expenses	(622)	5,831	4,814	23,819
Deferred tax expenses	517	684	(631)	(2,242)
Total tax expenses	(105)	6,515	4,183	21,577

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 December 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:				
- 1 compressor	31 December 2022	108	108	100%
- 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 December 2022	7,938	7,938	100%
Estimated listing expenses	31 August 2019	3,200	3,200	100%
		34,411	34,411	100%

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 31.12.2022 RM'000	Audited as at 31.12.2021 RM'000
Current liabilities:		
Secured	11,368	15,744
Unsecured	37,549	38,417
	<u>48,917</u>	<u>54,161</u>
Non-current liabilities:		
Unsecured	18,124	-
	<u>18,124</u>	<u>-</u>
Total bank borrowings	<u>67,041</u>	<u>54,161</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 2022.

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

B10. Dividend

The Board of Directors has recommended a final single-tier dividend of 2.0 sen per ordinary share amounting to RM6,979,820 in respect of the financial year ended 31 December 2022, 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/(loss) 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>31.12.2022</u>	<u>31.12.2021</u>	<u>31.12.2022</u>	<u>31.12.2021</u>
Profit/(Loss) attributable to ordinary owners of the Company (RM'000)	<u>(2,419)</u>	<u>15,950</u>	<u>13,125</u>	<u>62,619</u>
Number of ordinary shares ('000)	<u>348,991</u>	<u>348,991</u>	<u>348,991</u>	<u>348,991</u>
Basic EPS (sen)	<u>(0.69)</u>	<u>4.57</u>	<u>3.76</u>	<u>17.94</u>
Diluted EPS (sen) ⁽¹⁾	<u>(0.69)</u>	<u>4.57</u>	<u>3.76</u>	<u>17.94</u>

Note:

- (1) Diluted EPS of the Company for the individual quarter and period-to-date ended 31 December 2022 and 31 December 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.

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/(Loss) before tax is arrived after charging/(crediting):

	Individual Quarter		Cumulative Quarter	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Interest Income	(209)	(207)	(574)	(627)
Interest Expenses	881	625	2,992	2,005
Depreciation	1,469	1,039	5,095	3,954
Foreign exchange gain				
- Realised and unrealised	(74)	-	(195)	(17)
(Gain)/Loss on derivatives	149	53	126	(10)
Gain on disposal of				
plant, property & equipment	-	14	-	8
Provision/(Reversal) of impairment				
losses on trade receivables	(1,490)	(1,334)	(143)	768
Provision/(Reversal) of inventories				
written down	(2,245)	164	(1,491)	7,124
Reversal of provision for				
employee benefits	(32)	-	(32)	-
Scrap income	(842)	(926)	(2,098)	(1,751)
Miscellaneous income	-	(129)	(5)	(133)

Note:

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