

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 2023⁽¹⁾

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 01.01.2023 to 31.03.2023 RM'000	Preceding year Corresponding Quarter 01.01.2022 to 31.03.2022 RM'000	Current Year To-date 01.01.2023 to 31.03.2023 RM'000	Preceding year Corresponding Period 01.01.2022 to 31.03.2022 RM'000
Revenue	A9	92,290	119,537	92,290	119,537
Cost of sales		(85,926)	(98,998)	(85,926)	(98,998)
Gross profit ("GP")		6,364	20,539	6,364	20,539
Other operating income		2,073	297	2,073	297
Operating expenses		(5,183)	(4,852)	(5,183)	(4,852)
Profit from operation		3,254	15,984	3,254	15,984
Finance costs		(575)	(500)	(575)	(500)
Interest income		252	115	252	115
Profit before tax ("PBT")	B12	2,931	15,599	2,931	15,599
Tax expenses	B6	(781)	(3,556)	(781)	(3,556)
Profit for the period ("PAT")		2,150	12,043	2,150	12,043
Profit for the financial period attributable to:					
- Owners of the Company		2,150	12,043	2,150	12,043
Total Comprehensive income for the financial period attributable to:					
- Owners of the Company		2,150	12,043	2,150	12,043
Earnings per share attributable to owners of the Company					
- Basic (sen) ⁽²⁾	B11	0.62	3.45	0.62	3.45
- Diluted (sen) ⁽³⁾	B11	0.62	3.45	0.62	3.45

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 2022 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 2023 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 2023⁽¹⁾

	UNAUDITED AS AT 31.03.2023 RM'000	AUDITED AS AT 31.12.2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	128,949	129,939
Total non-current assets	128,949	129,939
Current assets		
Inventories	132,398	108,984
Trade receivables	74,578	84,000
Other receivables	2,437	1,379
Current tax assets	3,259	2,583
Cash and bank balances	36,520	50,676
Total current assets	249,192	247,622
TOTAL ASSETS	378,141	377,561
EQUITY AND LIABILITIES		
Equity		
Share Capital	179,242	179,242
Reserves	81,770	79,620
Total Equity	261,012	258,862
Liabilities		
Non-current liabilities		
Borrowings	17,400	18,124
Lease liabilities	427	623
Provision for retirement benefits	1,410	1,372
Deferred tax liabilities	9,221	8,660
Total non-current liabilities	28,458	28,779
Current liabilities		
Trade payables	42,453	30,874
Other payables	4,648	9,554
Borrowings	40,980	48,917
Derivate liabilities	113	129
Lease liabilities	477	392
Current tax liabilities	-	54
Total current liabilities	88,671	89,920
TOTAL LIABILITIES	117,129	118,699
TOTAL EQUITY AND LIABILITIES	378,141	377,561
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.75	0.74

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 2022 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 2023⁽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 1.1.2022	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
As at 1.1.2023	179,242	(124,831)	22,634	181,817	258,862
Total comprehensive income	-	-	-	2,150	2,150
Transfer due to crystallisation of revaluation reserves	-	-	(201)	201	-
As at 31.03.2023	179,242	(124,831)	22,433	184,168	261,012

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 2022 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 2023⁽¹⁾

	Unaudited 31.03.2023 RM'000	Unaudited 31.03.2022 RM'000
Cash Flows From Operating Activities		
Profit before tax	2,931	15,599
Adjustments for:		
Non-cash items	(268)	1,791
Non-operating items	323	406
Operating profit before working capital changes	2,986	17,796
Net change in current assets	(13,409)	(31,031)
Net change in current liabilities	6,674	(26,185)
Tax paid	(950)	(5,804)
Net cash used in operating activities	(4,699)	(45,224)
Cash Flows From Investing Activities		
Interest received	252	94
Purchases of property, plant and equipment	(373)	(3,150)
Net cash used in investing activities	(121)	(3,056)
Cash Flows From Financing Activities		
Drawdown/(repayments) of borrowings	(8,662)	10,373
Repayments of lease liabilities	(108)	(49)
Interest paid	(566)	(498)
Dividend paid	-	-
Net cash (used in)/from financing activities	(9,336)	9,826
Net decrease in cash and cash equivalents	(14,156)	(38,454)
Cash and cash equivalents at the beginning of the financial year	50,676	72,026
Cash and cash equivalents at the end of the financial period	36,520	33,572

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 2022 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 2022 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 2022, 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 2023.

<u>Title</u>	<u>Effective date</u>
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128 <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 2022 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

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 March 2023:

	RM'000
Capital expenditure in respect of purchase of property, plant & equipment	
- Approved but not contracted for	-
- Approved and contracted for	1,455
	1,455

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 01.01.2023 to 31.03.2023 RM'000	Preceding Year Corresponding Quarter 01.01.2022 to 31.03.2022 RM'000	RM'000	%	Current Year To-Date 01.01.2023 to 31.03.2023 RM'000	Preceding Year Corresponding Period 01.01.2022 to 31.03.2022 RM'000	RM'000	%
Revenue	92,290	119,537	(27,247)	(22.79)	92,290	119,537	(27,247)	(22.79)
Profit from operation	3,254	15,984	(12,730)	(79.64)	3,254	15,984	(12,730)	(79.64)
Profit before tax	2,931	15,599	(12,668)	(81.21)	2,931	15,599	(12,668)	(81.21)
Profit for the period	2,150	12,043	(9,893)	(82.15)	2,150	12,043	(9,893)	(82.15)

For the individual quarter under review, the Group's revenue decreased 22.79% to RM92.29 million from the preceding year's corresponding quarter of RM119.54 million. The lower revenue was mainly due to lower average selling price and sales volume. The sales volume for the current quarter decreased 9.39% as compared to the preceding year's corresponding quarter.

The Group registered a profit before tax of RM 2.93 million for the current quarter as compared to the preceding year's corresponding quarter profit before tax ("PBT") of RM15.60 million. PBT decreased RM12.67 million or 81.21% over the same quarter last year mainly due to decreased average selling price and gross profit ("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 01.01.2023 to 31.03.2023	Immediate Preceding Quarter 01.10.2022 to 31.12.2022	Increase/ (Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	92,290	98,532	(6,242)	(6.33)
Profit/(Loss) from Operation	3,254	(1,852)	5,106	275.70
Profit/(Loss) before tax ("PBT")	2,931	(2,524)	5,455	216.13
Profit/(Loss) for the Period ("PAT")	2,150	(2,419)	4,569	188.88

Compared with the immediate preceding quarter, the Group's revenue for the current quarter under review decreased by 6.33% from RM98.53 million to RM92.29 million mainly due to lower sales volume by 6.85%. The PBT for the current quarter under review increased 216.13% from loss of RM2.52 million to profit of RM2.93 million as compared to the immediate preceding quarter mainly due to increased average selling price and higher gross profit ("GP") margin.

B3. Prospects and outlook

During the quarter under review, the general outlook for the Malaysian economy and business environment for steel industry remains cautious.

The profitability of the Group is very much dependent on prices of our steel products besides demand from customers. In this respect, global factors such as volatility in commodities prices remain a key risk affecting our material cost and the profitability of our steel products as some of our raw materials are sourced from overseas. The Group will closely monitor and implement prudent inventory management to mitigate any negative impact from steel price volatility.

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.

B6. Income tax expenses

	Individual Quarter		Cumulative Quarter	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
Current tax expenses	219	4,281	219	4,281
Deferred tax expenses	562	(725)	562	(725)
Total tax expenses	781	3,556	781	3,556

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. Group bank borrowings

	As at 31.03.2023	Audited as at
	RM'000	31.12.2022
		RM'000
Current liabilities:		
Secured	12,412	11,368
Unsecured	28,568	37,549
	<u>40,980</u>	<u>48,917</u>
Non-current liabilities:		
Unsecured	<u>17,400</u>	<u>18,124</u>
Total bank borrowings	<u>58,380</u>	<u>67,041</u>

All the Groups borrowings are denominated in Ringgit Malaysia.

B8. Material litigation

There were no material litigation involving the Group as at 31 March 2023.

B9. Dividend

The Board of Directors does not recommend any dividend for the current financial quarter under review.

B10. 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>31.03.2023</u>	<u>31.03.2022</u>	<u>31.03.2023</u>	<u>31.03.2022</u>
Profit attributable to ordinary owners of the Company (RM'000)	<u>2,150</u>	<u>12,043</u>	<u>2,150</u>	<u>12,043</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>0.62</u>	<u>3.45</u>	<u>0.62</u>	<u>3.45</u>
Diluted EPS (sen) ⁽¹⁾	<u>0.62</u>	<u>3.45</u>	<u>0.62</u>	<u>3.45</u>

Note:

(1) Diluted EPS of the Company for the individual quarter and period-to-date ended 31 March 2023 and 31 March 2022 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)

B11. 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>31.03.2023</u>	<u>31.03.2022</u>	<u>31.03.2023</u>	<u>31.03.2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Interest Income	(252)	(115)	(252)	(115)
Interest Expenses	575	500	575	500
Depreciation	1,351	1,035	1,351	1,035
Foreign exchange gain				
- Realised and unrealised	(62)	(19)	(62)	(19)
Gain on derivatives	(16)	(68)	(16)	(68)
Provision of impairment losses on trade receivables	27	307	27	307
Provision/(Reversal) of inventories written down	(1,667)	490	(1,667)	490
Scrap income	(297)	(210)	(297)	(210)
Miscellaneous income	(31)	-	(31)	-

Note:

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