

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 2023⁽¹⁾

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 01.04.2023 to 30.06.2023 RM'000	Preceding year Corresponding Quarter 01.04.2022 to 30.06.2022 RM'000	Current Year To-date 01.01.2023 to 30.06.2023 RM'000	Preceding year Corresponding Period 01.01.2022 to 30.06.2022 RM'000
Revenue	A9	85,110	103,893	177,400	223,430
Cost of sales		(77,629)	(90,781)	(163,555)	(189,779)
Gross profit ("GP")		7,481	13,112	13,845	33,651
Other operating income		1,607	712	3,680	1,009
Operating expenses		(5,026)	(5,766)	(10,209)	(10,618)
Profit from operation		4,062	8,058	7,316	24,042
Finance costs		(777)	(602)	(1,352)	(1,102)
Interest income		129	150	381	265
Profit before tax ("PBT")	B12	3,414	7,606	6,345	23,205
Tax expenses	B6	(944)	(1,255)	(1,725)	(4,811)
Profit for the period ("PAT")		2,470	6,351	4,620	18,394
Profit for the financial period attributable to:					
- Owners of the Company		2,470	6,351	4,620	18,394
Total Comprehensive income for the financial period attributable to:					
- Owners of the Company		2,470	6,351	4,620	18,394
Earnings per share attributable to owners of the Company					
- Basic (sen) ⁽²⁾	B11	0.71	1.82	1.32	5.27
- Diluted (sen) ⁽³⁾	B11	0.71	1.82	1.32	5.27

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 30 June 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 30 JUNE 2023⁽¹⁾

	UNAUDITED AS AT 30.06.2023 RM'000	AUDITED AS AT 31.12.2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	128,925	129,939
Total non-current assets	128,925	129,939
Current assets		
Inventories	142,700	108,984
Trade receivables	73,118	84,000
Other receivables	2,387	1,379
Current tax assets	3,565	2,583
Cash and bank balances	31,370	50,676
Total current assets	253,140	247,622
TOTAL ASSETS	382,065	377,561
EQUITY AND LIABILITIES		
Equity		
Share Capital	179,242	179,242
Reserves	84,240	79,620
Total Equity	263,482	258,862
Liabilities		
Non-current liabilities		
Borrowings	16,674	18,124
Lease liabilities	379	623
Provision for retirement benefits	1,448	1,372
Deferred tax liabilities	9,193	8,660
Total non-current liabilities	27,694	28,779
Current liabilities		
Trade payables	25,510	30,874
Other payables	4,174	9,554
Borrowings	60,740	48,917
Derivate liabilities	-	129
Lease liabilities	465	392
Current tax liabilities	-	54
Total current liabilities	90,889	89,920
TOTAL LIABILITIES	118,583	118,699
TOTAL EQUITY AND LIABILITIES	382,065	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 SECOND (2ND) QUARTER ENDED 30 JUNE 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	-	-	-	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
As at 1.1.2023	179,242	(124,831)	22,634	181,817	258,862
Total comprehensive income	-	-	-	4,620	4,620
Transfer due to crystallisation of revaluation reserves	-	-	(403)	403	-
As at 30.06.2023	179,242	(124,831)	22,231	186,840	263,482

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 SECOND (2ND) QUARTER ENDED 30 JUNE 2023⁽¹⁾

	Unaudited 30.06.2023 RM'000	Unaudited 30.06.2022 RM'000
Cash Flows From Operating Activities		
Profit before tax	6,345	23,205
Adjustments for:		
Non-cash items	187	7,003
Non-operating items	971	837
Operating profit before working capital changes	7,503	31,045
Net change in current assets	(21,322)	(39,435)
Net change in current liabilities	(10,743)	(30,379)
Tax paid	(2,227)	(9,428)
Net cash used in operating activities	(26,789)	(48,197)
Cash Flows From Investing Activities		
Interest received	381	265
Proceeds from disposal of property, plant and equipment	171	-
Purchases of property, plant and equipment	(1,889)	(50,313)
Net cash used in investing activities	(1,337)	(50,048)
Cash Flows From Financing Activities		
Drawdown of borrowings	10,372	62,610
Repayments of lease liabilities	(219)	(88)
Interest paid	(1,333)	(1,096)
Net cash from financing activities	8,820	61,426
Net decrease in cash and cash equivalents	(19,306)	(36,819)
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	31,370	35,207

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 30 Jun 2023:

	RM'000
Capital expenditure in respect of purchase of property, plant & equipment	
- Approved but not contracted for	-
- Approved and contracted for	290
	290

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 01.04.2023 to 30.06.2023 RM'000	Preceding Year Corresponding Quarter 01.04.2022 to 30.06.2022 RM'000	RM'000	%	Current Year To-Date 01.01.2023 to 30.06.2023 RM'000	Preceding Year Corresponding Period 01.01.2022 to 30.06.2022 RM'000	RM'000	%
Revenue	85,110	103,893	(18,783)	(18.08)	177,400	223,430	(46,030)	(20.60)
Profit from operation	4,062	8,058	(3,996)	(49.59)	7,316	24,042	(16,726)	(69.57)
Profit before tax	3,414	7,606	(4,192)	(55.11)	6,345	23,205	(16,860)	(72.66)
Profit for the period	2,470	6,351	(3,881)	(61.11)	4,620	18,394	(13,774)	(74.88)

For the individual quarter under review, the Group's revenue decreased 18.08% to RM85.11 million from the preceding year's corresponding quarter of RM103.89 million. The lower revenue was mainly due to lower average selling price whereas sales volume increased 2.98% for the current quarter as compared to the preceding year's corresponding quarter.

The Group registered profit before tax ("PBT") of RM 3.41 million for the current quarter as compared to the preceding year's corresponding quarter PBT of RM7.61 million. The decrease in PBT of RM4.19 million or 55.11% over the same quarter last year was mainly due to decrease in 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 01.04.2023 to 30.06.2023	Immediate Preceding Quarter 01.01.2023 to 31.03.2023	Increase/ (Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	85,110	92,290	(7,180)	(7.78)
Profit from Operation	4,062	3,254	808	24.83
Profit before tax ("PBT")	3,414	2,931	483	16.48
Profit for the Period ("PAT")	2,470	2,150	320	14.88

Compared with the immediate preceding quarter, the Group's revenue for the current quarter under review decreased by 7.78% from RM92.29 million to RM85.11 million mainly due to lower average selling price and sales volume.

The PBT for the current quarter under review increased 16.48% from RM2.93 million to RM3.41 million as compared to the immediate preceding quarter. The increase in PBT was mainly attributable to improvement in gross profit ("GP") margin as a result of lower average cost of materials.

B3. Prospects and outlook

The Malaysian economy and its domestic market will remain challenging albeit some positive signs as a result of government initiatives in improving the 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 on the profit margin of the Group.

Barring unforeseen circumstances, the Group is cautiously optimistic that its prospects for the coming quarters 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	
	30.06.2023 RM'000	30.06.2022 RM'000	30.06.2023 RM'000	30.06.2022 RM'000
Current tax expenses	973	2,223	1,192	6,504
Deferred tax expenses	(29)	(968)	533	(1,693)
Total tax expenses	944	1,255	1,725	4,811

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 30.06.2023	Audited as at
	RM'000	31.12.2022
		RM'000
Current liabilities:		
Secured	17,165	11,368
Unsecured	43,575	37,549
	<u>60,740</u>	<u>48,917</u>
Non-current liabilities:		
Unsecured	<u>16,674</u>	<u>18,124</u>
Total bank borrowings	<u>77,414</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 30 June 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:

	Individual Quarter		Cumulative Quarter	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
Profit attributable to ordinary owners of the Company (RM'000)	<u>2,470</u>	<u>6,351</u>	<u>4,620</u>	<u>18,394</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>0.71</u>	<u>1.82</u>	<u>1.32</u>	<u>5.27</u>
Diluted EPS (sen) ⁽¹⁾	<u>0.71</u>	<u>1.82</u>	<u>1.32</u>	<u>5.27</u>

Note:

(1) Diluted EPS of the Company for the individual quarter and period-to-date ended 30 June 2023 and 30 June 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>30.06.2023</u>	<u>30.06.2022</u>	<u>30.06.2023</u>	<u>30.06.2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Interest Income	(129)	(150)	(381)	(265)
Interest Expenses	777	602	1,352	1,102
Depreciation	1,444	1,227	2,795	2,262
Foreign exchange gain				
- Realised and unrealised	(56)	(26)	(118)	(45)
Gain on derivatives	(113)	(73)	(129)	(141)
Gain on disposal of				
plant, property & equipment	(35)	-	(35)	-
(Reversal)/Provision of impairment				
losses on trade receivables	(18)	770	9	1,077
(Reversal)/Provision of inventories				
written down	(860)	3,250	(2,527)	3,740
Scrap income	(543)	(609)	(840)	(819)
Miscellaneous income	-	(4)	(31)	(4)

Note:

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