

TASHIN HOLDINGS BERHAD (REG NO.: 201701028709 (1242878-H))
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE THIRD (3rd) QUARTER ENDED 30 SEPTEMBER 2023⁽¹⁾

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 01.07.2023 to 30.09.2023 RM'000	Preceding year Corresponding Quarter 01.07.2022 to 30.09.2022 RM'000	Current Year To-date 01.01.2023 to 30.09.2023 RM'000	Preceding year Corresponding Period 01.01.2022 to 30.09.2022 RM'000
Revenue	A9	90,373	112,341	267,773	335,771
Cost of sales		(85,791)	(110,432)	(249,346)	(300,211)
Gross profit ("GP")		4,582	1,909	18,427	35,560
Other operating income		1,959	396	5,639	1,405
Operating expenses		(4,734)	(4,769)	(14,943)	(15,387)
Profit/(Loss) from operation		1,807	(2,464)	9,123	21,578
Finance costs		(834)	(1,009)	(2,186)	(2,111)
Interest income		189	100	570	365
Profit/(Loss) before tax ("PBT"/("LBT"))	B12	1,162	(3,373)	7,507	19,832
Tax expenses	B6	(675)	523	(2,400)	(4,288)
Profit/(Loss) for the period ("PAT"/("LAT"))		487	(2,850)	5,107	15,544
Profit/(Loss) for the financial period attributable to:					
- Owners of the Company		487	(2,850)	5,107	15,544
Total Comprehensive income for the financial period attributable to:					
- Owners of the Company		487	(2,850)	5,107	15,544
Earnings per share attributable to owners of the Company					
- Basic (sen) ⁽²⁾	B11	0.14	(0.82)	1.46	4.45
- Diluted (sen) ⁽³⁾	B11	0.14	(0.82)	1.46	4.45

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 30 September 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 SEPTEMBER 2023⁽¹⁾

	UNAUDITED AS AT 30.09.2023 RM'000	AUDITED AS AT 31.12.2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	128,573	129,939
Total non-current assets	128,573	129,939
Current assets		
Inventories	131,197	108,984
Trade receivables	70,714	84,000
Other receivables	1,266	1,379
Current tax assets	2,636	2,583
Cash and bank balances	19,018	50,676
Total current assets	224,831	247,622
TOTAL ASSETS	353,404	377,561
EQUITY AND LIABILITIES		
Equity		
Share Capital	179,242	179,242
Reserves	77,747	79,620
Total Equity	256,989	258,862
Liabilities		
Non-current liabilities		
Borrowings	15,949	18,124
Lease liabilities	309	623
Provision for retirement benefits	1,486	1,372
Deferred tax liabilities	9,588	8,660
Total non-current liabilities	27,332	28,779
Current liabilities		
Trade payables	28,882	30,874
Other payables	4,325	9,554
Borrowings	35,386	48,917
Derivate liabilities	11	129
Lease liabilities	479	392
Current tax liabilities	-	54
Total current liabilities	69,083	89,920
TOTAL LIABILITIES	96,415	118,699
TOTAL EQUITY AND LIABILITIES	353,404	377,561
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.74	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 THIRD (3rd) QUARTER ENDED 30 SEPTEMBER 2023⁽¹⁾

	Attributable to owners of the parent				Total Equity RM'000
	----- Non-distributable -----			Distributable	
	<u>Share Capital</u> RM'000	<u>Merger Reserve</u> RM'000	<u>Revaluation Reserve</u> RM'000	<u>Retained Earnings</u> RM'000	
As at 1.1.2022	179,242	(124,831)	23,433	178,362	256,206
Total comprehensive income	-	-	-	15,544	15,544
Transfer due to crystallisation of revaluation reserves	-	-	(597)	597	-
Transactions with owners					
Dividends paid	-	-	-	(10,469)	(10,469)
As at 30.09.2022	179,242	(124,831)	22,836	184,034	261,281
As at 1.1.2023	179,242	(124,831)	22,634	181,817	258,862
Total comprehensive income	-	-	-	5,107	5,107
Transfer due to crystallisation of revaluation reserves	-	-	(608)	608	-
Transactions with owners					
Dividends paid	-	-	-	(6,980)	(6,980)
As at 30.09.2023	179,242	(124,831)	22,026	180,552	256,989

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 THIRD (3rd) QUARTER ENDED 30 SEPTEMBER 2023⁽¹⁾

	Unaudited 30.09.2023 RM'000	Unaudited 30.09.2022 RM'000
Cash Flows From Operating Activities		
Profit before tax	7,507	19,832
Adjustments for:		
Non-cash items	(162)	5,806
Non-operating items	1,616	1,745
Operating profit before working capital changes	8,961	27,383
Net change in current assets	(4,495)	4,759
Net change in current liabilities	(7,220)	(47,378)
Tax paid	(1,579)	(16,121)
Net cash used in operating activities	(4,333)	(31,357)
Cash Flows From Investing Activities		
Interest received	570	365
Proceeds from disposal of property, plant and equipment	279	-
Purchases of property, plant and equipment	(3,001)	(54,907)
Net cash used in investing activities	(2,152)	(54,542)
Cash Flows From Financing Activities		
(Repayment) / Drawdown of borrowings	(15,707)	58,841
(Repayment) / Drawdown of lease liabilities	(328)	509
Interest paid	(2,158)	(2,101)
Dividend paid	(6,980)	(10,469)
Net cash (used in) / from financing activities	(25,173)	46,780
Net decrease in cash and cash equivalents	(31,658)	(39,119)
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	19,018	32,907

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

A final single-tier dividend of 2.0 sen per ordinary share amounting to RM 6,979,820 in respect of the financial year ended 31 December 2022 was paid on 14 July 2023.

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

There were no material capital commitments for the Group at the end of the current financial quarter.

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 01.07.2023 to 30.09.2023 RM'000	Preceding Year Corresponding Quarter 01.07.2022 to 30.09.2022 RM'000	RM'000	%	Current Year To-Date 01.01.2023 to 30.09.2023 RM'000	Preceding Year Corresponding Period 01.01.2022 to 30.09.2022 RM'000	RM'000	%
Revenue	90,373	112,341	(21,968)	(19.55)	267,773	335,771	(67,998)	(20.25)
Profit/(Loss) from operation	1,807	(2,464)	4,271	173.33	9,123	21,578	(12,455)	(57.72)
Profit/(Loss) before tax	1,162	(3,373)	4,535	134.45	7,507	19,832	(12,325)	(62.14)
Profit/(Loss) for the period	487	(2,850)	3,337	117.08	5,107	15,544	(10,437)	(67.14)

For the quarter under review, the Group registered a 19.55% lower revenue at RM 90.37 million compared to the preceding year's corresponding quarter of RM 112.34 million are mainly due to lower average selling price and sales volume as a result of weak market demand.

The Group registered profit before tax ("PBT") of RM 1.16 million for the current quarter as compared to the preceding year's corresponding quarter loss before tax of RM 3.37 million. The better performance was attributed by improvement in gross profit ("GP") margin from 1.69% (preceding year's corresponding quarter) to 5.07% for the quarter under review due to reduction in the average cost of raw materials.

For the financial year-to-date ended 30.9.2023, the Group recorded a revenue of RM 267.77 million and PBT of RM 7.50 million, marking a decrease of RM 67.99 million in revenue and RM 12.33 million in PBT compared to preceding year corresponding period mainly due to lower average selling price and sales volume.

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 01.07.2023 to 30.09.2023	Immediate Preceding Quarter 01.04.2023 to 30.06.2023	Increase/ (Decrease)	
	RM'000	RM'000	RM'000	%
Revenue	90,373	85,110	5,263	6.18
Profit from Operation	1,807	4,062	(2,255)	(55.51)
Profit before tax ("PBT")	1,162	3,414	(2,252)	(65.96)
Profit for the Period ("PAT")	487	2,470	(1,983)	(80.28)

Compared with the immediate preceding quarter, the Group's revenue for the current quarter under review increased by 6.18% from RM 85.11 million to RM 90.37 million, mainly due to 10% higher sales volume, despite decrease in average selling price.

The PBT for the current quarter under review decreased 65.96% from RM 3.41 million to RM 1.16 million as compared to the immediate preceding quarter mainly due to the decrease in gross profit ("GP") margin as a result of lower average selling price.

B3. Prospects and outlook

Considering the challenging market dynamics, global economic uncertainties & geo-political tensions, the general outlook for the Malaysia market and steel industry remains challenging for the remaining quarter of financial year 2023.

The Group will continue adopting a prudent approach on procurement and inventory management strategies to enhance operation efficiency and improve its profit margin.

Barring unforeseen circumstances, the Group is cautiously optimistic that it will continue to generate satisfactory performance for the financial year ending 31 Dec 2023.

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.

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

B6. Income tax expenses

	Individual Quarter		Cumulative Quarter	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Current tax expenses	280	(1,068)	1,472	5,436
Deferred tax expenses	395	545	928	(1,148)
Total tax expenses	675	(523)	2,400	4,288

Note:

(1) Income tax expense is recognised based on management's best estimate.

B7. Group bank borrowings

	As at 30.09.2023	Audited as at
	RM'000	31.12.2022
		RM'000
Current liabilities:		
Secured	11,339	11,368
Unsecured	24,047	37,549
	<u>35,386</u>	<u>48,917</u>
Non-current liabilities:		
Unsecured	15,949	18,124
	<u>15,949</u>	<u>18,124</u>
Total bank borrowings	<u>51,335</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 September 2023.

B9. Dividend

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

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

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	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Profit attributable to ordinary owners of the Company (RM'000)	487	(2,850)	5,107	15,544
Number of ordinary shares ('000)	348,991	348,991	348,991	348,991
Basic EPS (sen)	0.14	(0.82)	1.46	4.45
Diluted EPS (sen) ⁽¹⁾	0.14	(0.82)	1.46	4.45

Note:

- (1) Diluted EPS of the Company for the individual quarter and period-to-date ended 30 September 2023 and 30 September 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.

B11. Disclosure on selected expense/income items as required by the Listing Requirements

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

	Individual Quarter		Cumulative Quarter	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Interest Income	(189)	(100)	(570)	(365)
Interest Expenses	834	1,009	2,186	2,111
Depreciation	1,470	1,364	4,265	3,626
Foreign exchange gain				
- Realised and unrealised	(2)	(75)	(120)	(120)
Loss/(Gain) on derivatives	11	117	(118)	(24)
Gain on disposal of plant, property & equipment	(68)	-	(103)	-
(Reversal)/Provision of impairment losses on trade receivables	(97)	270	(88)	1,347
(Reversal)/Provision of inventories written down	(1,705)	(2,986)	(4,232)	754
Scrap income	(193)	(438)	(1,033)	(1,257)
Miscellaneous income	(1)	-	(32)	(4)

Note:

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