

PRESS RELEASE

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TAFI INDUSTRIES BERHAD

TAFI INDUSTRIES BERHAD (“TAFI”)

- *TAFI Industries Berhad’s wholly owned unit, T.A. Furniture Industries Sdn. Bhd. to realise a gain before tax of RM5.71 million from disposal of single storey detached factory located at Sungai Raya, Muar, Johor for a consideration of RM9 million*

KUALA LUMPUR, 10 March 2022 – TAFI Industries Berhad (“TAFI”) wholly owned unit, T.A. Furniture Industries Sdn Bhd (TAFISB) has entered into a sale and purchase agreement to dispose one of TAFISB’s industrial premises comprising a single storey detached factory and a guard house erected thereon at Sungai Raya, Muar, Johor to Duthai Trading Sdn. Bhd. for a cash consideration of RM9 million which will realise a gain before tax of approximately RM5.71 million for TAFI Group based on the next book value of RM3.29 million as at 31 December 2021.

The single storey detached factory was primarily used for laminating process and storage of boards which are raw materials for furniture manufacturing operation. TAFI Group had decided to dispose the said factory as it will be more economical and cost efficient to purchase the finished laminated boards or to sub-contract out the lamination process. The disposal of the said factory will not affect the Group’s furniture production capacity of furniture which are being carried out at TAFI Group’s other factories.

TAFI Group Chief Executive Officer, Dato’ Sri Bryan Wong said that the decision to dispose the factory was part of management’s strategy to streamline and increase efficiency of the Group’s business operations. The disposal of the factory at RM9 million will realise a gain before tax of RM5.71 million for TAFI Group and will contribute positively towards its cashflow and working capital position.

“Our continuing and ongoing efforts to streamline and increase efficiency of the–Group’s business operations have begun to show positive results whereby TAFI Group managed to achieve a profit after tax of RM5.50 million for the financial year ended 31 December 2021 as opposed to a loss after tax of RM9.45 million for the previous year”, says Dato’ Sri Bryan.

“Barring unforeseen circumstances, we are confident that TAFI Group will continue to report increasing profits for our furniture as well as our property development and construction businesses in future”, added Dato’ Sri Bryan.

About TAFI Group

TAFI Group was publicly listed on Bursa Malaysia Securities under TAFI Industries Berhad in 2005.

The Group is principally involved in the manufacturing and trading of furniture for export and local market and had also diversified into property development and construction related businesses.

Furniture Business Segment

The manufacturing and trading of furniture is mainly carried out via wholly owned subsidiary T.A. Furniture Industries Sdn. Bhd. (TAFISB).

Since its early beginning in 1989, TAFISB has been operating as a wood-base panel system office furniture manufacturer. TAFISB initially concentrated on the local market and started to venture into the export market in 1992.

TAFI Group's furniture segment initially specialized in ergonomic and modernized designs of office furniture as well as providing quality and timely delivery of furniture to its customers. With the continuous efforts to improvise the office system designs, TAFI has successfully established itself as one of the pioneers in the manufacturing of wood-based panel system office furniture in Malaysia.

Leveraging on its extensive experience in office furniture, TAFI Group subsequently ventured into home furniture development specializing in wood-based panel system. TAFI's home furniture includes products for living rooms, bedrooms and study rooms and they come in various sizes, shapes and designs along with specialized in OEM production for the local and global customers exclusively. TAFI's furniture products are being exported to major target markets in USA, UK, Europe, Middle East and New Zealand.

In 2000, TAFISB successfully obtained the prestigious ISO 9001:2000 in recognition of its quality management system and was updated to ISO 9001:2015 in 2018.

TAFI's sustainable design of quality and durable products and services focus on reducing the use of non-renewable resources, minimizing environmental impacts and taking into great consideration people in their natural environment. TAFISB obtained FSC (Forestry Stewardship Certification) in June 2008.

TAFISB has been audited by independent third party for compliance to SMETA, RESA, FCCA etc.

Property Development and Construction Related Business Segment

The property development business of the Group is under wholly owned subsidiaries, TAFI Development Sdn. Bhd. and Gerak Mahir Sdn. Bhd. whilst the construction related business of the Group is under wholly owned subsidiary, TAFI Home & Office Sdn. Bhd. (formerly known as Home & Office Furniture Sdn. Bhd.).

For more information: <https://welcome.tafi.com.my/>

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