

PRESS RELEASE

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TAFI INDUSTRIES BERHAD

(200401002432) (640935-P)

REPORTS RESILIENT Q2 2022 PERFORMANCE

- TAFI Group registered a profit after tax of RM2.371 million in Q2, compared to a loss after tax of RM744 thousand in previous corresponding quarter.
- Net profit of RM2.553 million for the year to-date compared to RM313 thousand for last year, on the back of a 118.6% increase in revenue at RM33.336 million.
- Current management's efforts to diversify TAFI Group's business operations has been successful and is confident that TAFI Group will continue to show increasing profits in the future.

Financial Performance	Individual Quarter (Q2)		Cumulative Quarter (6 months)	
	30-06-2022	30-06-2021	30-06-2022	30-06-2021
Revenue (RM'mil)	21.247	5.909	33.336	15.252
Profit / (loss) after tax (RM'mil)	2.371	(744)	2.553	313
Basic EPS / (Loss) (sen)	0.62	(0.30)	0.68	0.13
Diluted EPS / (Loss) (sen)	0.62	(0.30)	0.68	0.13

Furniture Segment

- Expansion of furniture business via collaboration with OMG Free Reno Sdn. Bhd and Signature Group and as well as tendering for local projects for supply of furniture.

Property Segment

- Construction work on maiden property development project in Habu, Pahang with estimated Gross Development Value (GDV) of RM390 million expected to commence in fourth quarter (Q4) of 2022
- Entered into 5 Joint Venture Agreements (JVAs) of property development projects mainly within vicinity of Kuantan, Pahang in Q3 2021 with estimated GDV of RM621.5 million.
- Total estimated GDV of TAFI Group's property developments projects on-hand is now around RM1.01 billion.

Construction segment

- Construction related works for commercial property development project for Permas City was started in Q1 2022. Revenue and profit started to be recognised since Q1 2022.
- Started the construction of 1 unit single storey factory and warehouse, together with 2 storey office building for a contract sum of RM9.5 million. Revenue and profit started to be recognised in Q2 2022.

KUALA LUMPUR, 24 AUGUST 2022 - TAFI Industries Berhad (“TAFI” or “the Company”) posted a resilient second quarter (Q2) 2022 financial performance with profit after tax of RM2.371 million compared to a loss of RM744 thousand in the previous corresponding quarter. The increase in profit is mainly due to the increase in sales from TAFI’s furniture business segment and construction related business segment.

Revenue increased by 259.6% to RM21.247 million in the quarter ended 30 June 2022 as compared to the preceding year corresponding quarter mainly due to increase in income from construction contracts and increase in sales of furniture.

Net profit increased during the quarter to RM2.371 million from a loss of RM744 thousand in previous corresponding quarter. This resulted in an increase in basic earnings per share to 0.62 sen for the quarter ended 30 June 2022 compared with basic earnings per share of negative 0.30 sen in the preceding year corresponding quarter.

TAFI Group Chief Executive Officer, Dato’ Sri Bryan Wong (王世坚) said that the increase in furniture sales and construction revenue has contributed to the positive result in second quarter (Q2) 2022. TAFI Group will continue to launch new furniture models to capture a bigger market share in the North American market and also to continue in its ongoing efforts to expand its market share in the European and Middle East markets to widen TAFI Group’s customer base.

TAFI Group will also continue in its efforts to grow the revenue and profit of its furniture business by tendering for more local government and non-government contracts and also via the strategic partnership with OMG Free Reno Sdn. Bhd (“OMG”) and Signature Group.

Since diversification into property development business, TAFI Group had been focusing on its maiden property development at Habu, Pahang with estimated gross development value (GDV) of RM390 million, wherein the management anticipates that construction work for this project will commence in the quarter ending 31 December 2022. In addition to that, TAFI Group had further expanded its property development segment by entering into several joint venture agreements with different parties for the development of various property projects located mainly within the vicinity of Kuantan, Pahang with a total estimated GDV of RM621.5 million.

Dato’ Sri Bryan said that, “TAFI Group will continue to work towards expanding its property development business by securing more joint ventures for property development projects to add on to its existing six (6) joint venture property development projects with a total estimated GDV of RM1.01 billion”.

TAFI Group’s construction segment continues to deliver positive and encouraging results. The work on the Group’s Permas City RM30 million contract for construction related works including mechanical and electrical works to complete a mixed commercial development project in Johor Bahru is progressing well and is expected to be completed by the fourth quarter (Q4) ending 31 December 2022.

The Group was awarded a RM9.5 million contract by Alpha Asset Sdn Bhd on 6 April 2022 for the construction and completion of one unit single storey factory and warehouse, together with 2-storey office building in District of Kuala Langat, Selangor and has started to recognise revenue and profit in respect thereof in second quarter (Q2) ended 30 June 2022. The said RM9.5 million construction contract is expected to be completed by first quarter (Q1) ending 31 March 2023.

Dato’ Sri Bryan said, “TAFI Group’s wholly owned unit, TAFI Home & Office Sdn Bhd which has a G7 licence issued by the Construction Industry Development Board (“CIDB”) that allows it to tender for construction projects of unlimited value, will continue working towards growing its revenue stream from construction contracts by tendering and securing more construction contracts from both the private sector and also government sector”.

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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