

PRESS RELEASE

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TAFI INDUSTRIES BERHAD

REPORTS RESILIENT Q4 2021 PERFORMANCE

- TAFI Group making profit after tax of RM3.246 million in Q4, compared to a loss of RM5.307 million in previous corresponding quarter.
- Net profit of RM5.481 million for this year compared to a loss of RM9.447 million for last year, on the back of a 48.16% increase in revenue at RM43.539 million.
- Current management's efforts to streamline, increase efficiency and also grow 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 (Q4)		Cumulative Quarter (12 months)	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020
Revenue (RM'mil)	18.646	8.852	43.539	29.387
Profit/(loss) after tax (RM'mil)	3.246	-5.307	5.481	-9.447
Basic EPS (sen) #	2.57	-6.65	5.28	-11.83
Dividend (sen)	-	-	-	-

before bonus issue of shares which was completed in February 2022

Furniture Segment

- Expansion of furniture business via collaboration with Signature Group and OMG Free Reno Sdn. Bhd 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

- Kick-start of construction business with receipt of award for earthworks of RM0.8 million for a housing development project which was completed in Q4 2021.
- Secured RM30 million contract for construction related works for commercial property development project in Q4 2021 with entitlement to 30% share of the net gross development value proceeds of certain units of properties of the project which is estimated to be around RM6 million.

KUALA LUMPUR, 24 FEBRUARY 2022 - TAFI Industries Berhad (“TAFI” or “the Company”) posted a resilient fourth quarter (Q4) 2021 financial performance with profit after tax of RM3.246 million compared to a loss of RM5.307 million in previous corresponding quarter, supported by higher local project sales of furniture and revenue derived from construction contracts during the quarter.

Revenue increased by 110.64% to RM18.646 million in the quarter ended 31 December 2021 as compared to the preceding year corresponding quarter.

Net profit increased during the quarter to RM3.246 million from a loss of RM5.307 million in previous corresponding quarter. This resulted in an increase in basic earnings per share to 2.57 sen in the quarter ended 31 December 2021 compared with loss per share of 6.65 sen in the preceding year corresponding quarter. All basic earnings per share figures are before bonus issue of shares which was completed in February 2022 after the financial year ended 31 December 2021.

Cumulatively, TAFI Group turned into net profit of RM5.481 million in the twelve months until 31 December 2021 compared to a loss of RM9.447 million in last year, on the back of a 48.16% increase in revenue at RM43.539 million. This resulted in an increase in basic earnings per share to 5.28 sen for the twelve months until 31 December 2021, compared with loss of 11.83 sen a year ago.

TAFI Group Chief Executive Officer Dato’ Sri Bryan Wong (王世坚) said that the good and encouraging fourth quarter (Q4) results and cumulative twelve months results until 31 December 2021 shows that the current management’s efforts to streamline, increase efficiency and also grow TAFI Group’s business operations has been successful and is confident that TAFI Group will continue reporting increasing profits in the future.

TAFI Group will continue to work towards increasing revenue and profit for its furniture business by continuing to tender for more local government and non-government contracts and also via the strategic partnership with Signature Group and OMG Free Reno Sdn. Bhd (“OMG”).

The joint collaboration between both TAFI Group and OMG since signing the Memorandum of Understanding (MOU) on 25 August 2021 has brought positive results and encouraging response from homeowners and hence giving the confidence to both parties to enter into an agreement on 17 February 2022 to further enhance the collaboration for TAFI Group to supply fittings and furniture related products to OMG.

“We have until to-date made RM2.3 million in sales of furniture, fittings and related products and accessories to OMG. The potential growth is encouraging and we are confident that the collaboration will further enhance our local market’s share of supply of furniture via OMG’s ground breaking subscriber-based renovation platform”, said Dato’ Sri Bryan.

Since diversification into property development business, our Group had been focusing on our maiden property development at Habu, Pahang with estimated gross development value (GDV) of RM390 million, wherein the management anticipates that the development for this project will commence in year 2022. Subsequent thereto, 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, “We will continue working towards expanding the Group’s property development business by securing more joint ventures for property development projects

to add on to our existing six (6) joint venture property development projects with a total estimated GDV of about RM1.01 billion”.

TAFI Group had kick-started its construction related business by securing its maiden construction related work contract of RM0.8 million in November 2021 for site clearance and earthwork for a housing scheme in Mukim Kg. Gajah, Perak which was completed at the end of December 2021.

The Group also managed to secure another RM30 million contract on 8 December 2021, for construction related works including mechanical and electrical works to complete a mixed commercial development project at Permas City, Johor Bahru by the fourth quarter (Q4) of financial year ending 31 December 2022. In addition to the RM30 million contract award sum, TAFI Group is also entitled to 30% share of the net gross development value proceeds of certain units of properties under the said project which is estimated to be around RM6 million.

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

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 improve 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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