

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 31 MARCH 2021**  
**(The figures have not been audited)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2021	Preceding Year Corresponding Quarter 31.03.2020	Current Year To Date 31.03.2021	Preceding Year Corresponding Period 31.03.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	9,343	6,071	9,343	6,071
Cost of sales	(8,599)	(6,034)	(8,599)	(6,034)
Gross profit	<u>744</u>	<u>37</u>	<u>744</u>	<u>37</u>
Operating expenses	(808)	(884)	(808)	(884)
Other Income	1,194	25	1,194	25
Profit/(Loss) from operations	<u>1,130</u>	<u>(822)</u>	<u>1,130</u>	<u>(822)</u>
Interest expense	(27)	(18)	(27)	(18)
Interest income	7	22	7	22
Profit/(Loss) before taxation	<u>1,110</u>	<u>(818)</u>	<u>1,110</u>	<u>(818)</u>
Taxation	(53)	-	(53)	-
Profit/(Loss) for the period	<u>1,057</u>	<u>(818)</u>	<u>1,057</u>	<u>(818)</u>
Other comprehensive income/(expenses)	-	-	-	-
Other comprehensive income for the period, net of tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE PROFIT/(LOSS)</b>	<b><u>1,057</u></b>	<b><u>(818)</u></b>	<b><u>1,057</u></b>	<b><u>(818)</u></b>
Profit/(Loss) for the period attributable to :				
Owners of the Company	1,057	(818)	1,057	(818)
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b><u>1,057</u></b>	<b><u>(818)</u></b>	<b><u>1,057</u></b>	<b><u>(818)</u></b>
Profit/(Loss) per share (sen)				
- Basic	<u>1.36</u>	<u>(1.06)</u>	<u>1.36</u>	<u>(1.06)</u>
- Diluted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Condensed Consolidated Statements of Profit Or Loss And Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021**  
**(The figures have not been audited)**

	As At End Of Current Quarter 31.03.2021	As At Preceding Financial Year Ended 31.12.2020
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	18,954	19,438
Right-of-use assets	382	388
Investment properties	5,830	5,830
<b>Total non-current assets</b>	<b>25,166</b>	<b>25,656</b>
<b>Current assets</b>		
Inventories	11,071	9,095
Trade and other receivables	3,031	3,387
Current tax assets	2	2
Short term and fixed deposits, cash and bank balances	5,038	4,872
	<b>19,142</b>	<b>17,356</b>
Assets held for sale	-	596
<b>TOTAL ASSETS</b>	<b>44,308</b>	<b>43,608</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity - attributable to owners of the Company</b>		
Issue capital	42,809	42,809
Treasury shares, at cost	(1,041)	(1,041)
Reserves	(9,225)	(10,282)
<b>Total equity</b>	<b>32,543</b>	<b>31,486</b>
<b>Non-current liability</b>		
Deferred tax liability	152	152
Borrowings	321	498
	<b>473</b>	<b>650</b>
<b>Current liabilities</b>		
Trade and other payables	10,318	10,722
Borrowings	877	706
Tax Liability	97	44
	<b>11,292</b>	<b>11,472</b>
<b>Total liabilities</b>	<b>11,765</b>	<b>12,122</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>44,308</b>	<b>43,608</b>
Net assets per share attributable to owners of the Company (RM)	0.42	0.41

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE QUARTER ENDED 31 MARCH 2021**  
**(The figures have not been audited)**

	Current Financial period ended 31.03.2021	Preceding Year Corresponding Period 31.03.2020
	RM'000	RM'000
<b>Cash flows (used in)/from operating activities</b>		
Profit / (Loss) before tax	1,110	(818)
Adjustments for:		
Non-cash & non-operating items	(969)	525
Operating profit / (loss) before working capital changes	<u>141</u>	<u>(293)</u>
(Increase) / Decrease in working capital		
Inventories	(1,597)	(11)
Trade and other receivables	795	1,407
Trade and other payables	(653)	(688)
Cash generated from / (used in) operations	<u>(1,314)</u>	<u>415</u>
Income tax paid/refund	-	-
Interest paid	(27)	(16)
<b>Net cash generated from / (used in) operating activities</b>	<u>(1,341)</u>	<u>399</u>
<b>Cash flows generated from / (used in) investing activities</b>		
Proceeds from disposal of property, plant and equipment	1,749	-
Purchase of property, plant and equipment	(54)	(3)
Interest received	7	22
Advance from immediate and ultimate holding company	1,200	-
Repayment to former Director	(1,390)	-
<b>Net cash generated from / (used in) investing activities</b>	<u>1,512</u>	<u>19</u>
<b>Cash flows used in financing activities</b>		
Hire Purchase	(6)	
Repayment of term loan	-	(161)
<b>Net cash used in financing activities</b>	<u>(6)</u>	<u>(161)</u>
Net increase/(decrease) in cash and cash equivalents	165	257
Cash and cash equivalents at beginning of period	4,873	6,507
Cash and cash equivalents at end of the period	<u>5,038</u>	<u>6,764</u>
<b>Cash and cash equivalents at end of the period comprise:</b>		
Cash and bank balances	5,038	1,159
Deposits in the licensed bank	-	5,605
	<u>5,038</u>	<u>6,764</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

**TAFI INDUSTRIES BERHAD**  
**Company No. 200401002432 (640935-P)**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED 31 MARCH 2021**  
**(The figures have not been audited)**

	<u>Attributable to owners of the Company</u>					<b>Total Equity RM'000</b>
	<b>Share Capital RM'000</b>	<b>Non-Distributable Treasury Shares RM'000</b>	<b>Revaluation Reserve RM'000</b>	<b>Retained Profit RM'000</b>	<b>Distributable reserves Accumulated Loss RM'000</b>	
At 1 January 2020	42,809	(1,041)	201	925	(1,961)	40,933
Total comprehensive loss	-	-	-	(45)	(9,402)	(9,447)
At 31 December 2020	<u>42,809</u>	<u>(1,041)</u>	<u>201</u>	<u>880</u>	<u>(11,363)</u>	<u>31,486</u>
At 1 January 2021	42,809	(1,041)	201	880	(11,363)	31,486
Total comprehensive income / (loss)	-	-	-	-	1,057	1,057
At 31 March 2021	<u>42,809</u>	<u>(1,041)</u>	<u>201</u>	<u>880</u>	<u>(10,306)</u>	<u>32,543</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

## **NOTES TO THE INTERIM FINANCIAL REPORT**

### **PART A: EXPLANATORY NOTES AS PER MFRS 134**

#### **A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (MFRS) 134 'Interim Financial Reporting' issued by the Malaysian Accounting Standards Board (MASB) and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirement.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2020. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

#### **A2. Significant Accounting Policies**

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2020 except for those standards, amendments and IC interpretations which are effective from the annual period beginning 1 January 2021 and onwards. The adoption of these standards, amendments and IC interpretation does not have significant impact on the financial statements of the Group and the Company.

#### **A3. Qualification of Annual Financial Statements**

There has not been any qualification made by the auditors on the annual financial statements of the Group for the year ended 31 December 2020.

#### **A4. Seasonal and Cyclical Factors**

The Group's business operation results were not materially affected by any major seasonal or cyclical factors.

#### **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 during the current quarter and financial year to date, except the Group made a gain of RM1.15 million on disposal of Property, Plant and Equipment (PPE) and Right of Use (ROU) during the quarter.

#### **A6. Material Changes in Estimates**

There were no changes in accounting estimates that have a material effect on the results for the current quarter and financial year to date.

#### **A7. Issuances and repayment of debt and equity securities**

There were no issuances, repurchases of shares for the current quarter under review. As at 31 March 2021, the number of treasury shares held was 2,540,500 ordinary shares.

#### **A8. Dividend Paid**

No dividend has been paid for the financial year to date.

**A9. Segmental Reporting**

No segment analysis is prepared as the Group is involved in a single industry segment relating to the manufacturing and marketing of furniture products. The operation of the Group is carried out entirely in Malaysia.

**A10. Valuation of Property, Plant and Equipment**

There was no revaluation of property, plant and equipment by the subsidiary companies for the current quarter and financial year to date.

**A11. Subsequent Events**

There were no material events subsequent to the end of the current quarter under review.

**A12. Change in the Composition of the Group**

There were no changes in the composition of the Group during the current quarter and financial year to date.

**A13. Changes in Contingent Liabilities**

As at 31 March 2021, the Group did not have any contingent liability.

**A14. Capital Commitments**

Joint Venture of Property Development Project	As at 31.03.2021 RM'000
---	----------------------------

Approved and contracted for	<u>1,500</u>
-----------------------------	--------------

The Group had entered into a joint development agreement with E Prompt Sdn. Bhd. to jointly develop a land in Cameron Highlands.

**A15. Derivative Financial Asset/Liability**

There were no outstanding forward foreign exchange contracts outstanding as at 31 March 2021.

**A16. Related party transactions**

Transaction with immediate and ultimate holding company, Armani Synergy Sdn. Bhd.:

	Current Year Quarter Ended 31.03.2021 RM'000	Current Year To Date Ended 31.03.2021 RM'000
Advances from	1,200	1,200

The amount due to immediate and ultimate holding company is unsecured, interest free and repayable upon demand.

**PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA  
SECURITIES BERHAD LISTING REQUIREMENTS**

**B1. Review of Performance**

**Comparison between Quarter 31.03.2021 and Quarter 31.03.2020**

The revenue and profit before tax recorded by the Group for the quarter was RM9,343,000 and RM1,110,000 respectively. This represents a increase of RM3,272,000 in revenue or 53.90% higher than that of its corresponding quarter. The higher revenue for Quarter 31 March 2021 was due to the higher export sales.

The Group incurred a profit before tax of RM1,110,000 in the quarter as compared to a loss before tax of RM818,000 in the previous corresponding quarter. The increase in profit was primarily due to the following :-

- Higher Export Sales
- Gain on disposal of Property, Plant and Equipment (PPE) and Right of Use (ROU) assets.

**B2. Variation of Results Against Preceding Quarter**

**Comparison between Quarter 31.03.2021 and Quarter 31.12.2020**

The Group registered a profit before tax of RM1,110,000 for the current quarter ended 31 March 2021 as compared to a loss before tax of RM5,262,000 in the previous quarter ended 31 December 2020. The increase in profit was primarily due to the following:-

- Higher Export Sales
- Gain on disposal of Property, Plant and Equipment (PPE) and Right of Use (ROU) assets.
- Allowance of slow-moving inventories and impairment loss on Property, Plant and Equipment (PPE) was provided in the previous quarter.

**B3. Commentary on Prospects**

Our entry into North American market has shown positive result and we shall continue to expand on market share. We are also expanding our market share in the European and Middle East markets to widen our customer base.

**B4. Variance of Actual and Forecast Profit**

Not applicable

**B5. Taxation**

	Current Year Quarter Ended 31.03.2021 RM'000	Current Year To Date Ended 31.03.2021 RM'000
Provision for real property gains tax ("RPGT")	53	53

**B6. Status of Corporate Proposal**

On 8 March 2021, 11 March 2021, 18 March 2021, 9 April 2021, 15 April 2021, 26 April 2021, 27 April 2021, 11 May 2021, the Group has announced to propose renounceable right issue of 46,475,700 new ordinary share in TAFI (“Right Shares”) at an issue price of RM0.58 per rights share, on the basis three (3) rights shares for every five (5) existing ordinary shares in TAFI (excluding treasury shares) held by the entitled shareholders as at 5.00 p.m. on 11 May 2021

**B7. Group Borrowing and Debt Securities**

Details of the Group’s borrowings as of 31 March 2021 are as follows :-

	RM’000
Term Loan	927
Hire Purchase	271
	<u>1,198</u>

**B8. Gains/Losses arising from fair value changes of financial assets/liabilities**

The Group does not have any financial instruments at the end of reporting period.

**B9. Material Litigation**

The Group does not have any material litigation as at the date of this report.

**B10. Dividend Payable**

No dividend has been declared for the current quarter under review.

**B11. Basis of Calculation of Earnings/(Loss) Per Share**

The basic earnings per share for the quarter and financial period ended 31 March 2021 is computed as follow:

	Current Year Quarter Ended 31.03.2021	Current Year To Date Ended 31.03.2021
Profit attributable to owners of the Company (RM’000)	1,057	1,057
	<u>1,057</u>	<u>1,057</u>
Weighted average number of ordinary shares (‘000) in issue	77,460	77,460
	<u>77,460</u>	<u>77,460</u>
Basic Earning Per Share based on weighted average number of ordinary shares in issue (sen)	1.36	1.36
	<u>1.36</u>	<u>1.36</u>

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the reporting period.



**TAFI INDUSTRIES BERHAD**  
Company No. 200401002432 (640935-P)

**B12. Additional Disclosure on loss for the period**

	Current Year Quarter Ended 31.03.2021 (RM'000)	Current Year To Date Ended 31.03.2021 (RM'000)
Profit for the period is arrived at after charging/(crediting) :		
Interest income :		
- FD interest and bank interest	(7)	(7)
Depreciation of property, plant and equipment	535	535
Amortisation of right-of- use assets	7	7
Realised (gain) on foreign exchange	(14)	(14)
Unrealised (gain) on foreign exchange	(8)	(8)
Interest expense ( term loan, hire purchase )	27	27
Allowance for slow-moving inventories:		
- Reversal	(380)	(380)
Gain on disposal of property, Plant and Equipment (PPE) and Right of Use (ROU) assets.	(1,150)	(1,150)

Other than the above items which have been included in the statement of profit or loss and other comprehensive income, there was no provision for and write off of receivables, provision for and write off of inventories, gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets and exceptional items for the current quarter and period ended 31 March 2021.

By order of the Board  
TAFI Industries Berhad

Dato' Sri Azlan Bin Azmi  
Group Managing Director  
25 May 2021