

PRESS RELEASE

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TAFI INDUSTRIES BERHAD

TAFI INDUSTRIES BERHAD (“TAFI”)

- *TAFI wholly owned unit, TAFI Home & Office Sdn. Bhd. receives award for construction related works of RM30 million for commercial property development project.*

KUALA LUMPUR, 08 DECEMBER 2021 – TAFI’s wholly owned unit, TAFI Home & Office Sdn. Bhd. (formerly known as Home & Office Furniture Sdn. Bhd.) has been awarded a RM30 million contract from Buana Tunggal Sdn Bhd 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.

In addition to the RM30m award sum, TAFI Home & Office Sdn. Bhd. shall also be entitled to 30% share of the net gross development value proceeds of certain units of properties under the Permas City project which is estimated to be around RM6 million.

The net gross development value proceed has been mutually agreed with Buana Tunggal Sdn. Bhd. to mean the sale proceeds and whatsoever monies derived from certain units of properties under the Permas City project from 8 December 2021 less agreed costs which includes but not limited to certain development and construction costs, financing costs obtained by the TAFI Home & Office Sdn. Bhd. and any other mutually agreed costs in the ordinary course of business.

Construction related works on the Permas City project will commence in December 2021 and is expected to take about 12 months to complete. Revenue from the said construction related project is expected to start coming in by end of December 2021.

TAFI Group Chief Executive Officer, Dato’ Sri Bryan Wong said that securing the RM30 million construction related works contract and our estimated RM6 million share of the net gross development value proceeds of certain units of properties under the Permas City project will contribute positively towards TAFI’s future earnings and is also a sign that we are on the right track in our efforts to grow our construction business.

“Since TAFI Home & Office Sdn Bhd’ is holding a G7 licence issued by the Construction Industry Development Board (“CIDB”) which allows it to tender for construction projects of unlimited value, we will work towards tendering and securing higher value construction contracts from both the private sector and also government sector to further grow our revenue stream from construction contracts”, 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. (TA).

Since its early beginning in 1989, TA has been operating as a wood-base panel system office furniture manufacturer. TA 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, TA successfully obtained the prestigious ISO 9001:2000 in recognition of its quality management system and was updated to ISO 9001:2015 in 2018.

TA'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. TA obtained FSC (Forestry Stewardship Certification) in June 2008.

TA 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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