

PRESS RELEASE

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TAFI INDUSTRIES BERHAD

(i) PROPOSED BONUS ISSUE OF SHARES

- *Proposed bonus issue of 252,951,400 new ordinary shares in TAFI on the basis of two (2) Bonus Shares for every one (1) existing ordinary share in TAFI.*

(ii) PROPOSED BONUS ISSUE OF WARRANTS

- *Proposed bonus issue of up to 63,237,850 warrants on the basis of one (1) Warrant for every two (2) existing Shares held on the Entitlement Date.*

KUALA LUMPUR, 7 DECEMBER 2021 - TAFI Industries Berhad (“TAFI” or “the Company”) announced that the Company proposes to undertake the following:

- (i) proposed bonus issue of 252,951,400 new ordinary shares in TAFI on the basis of two (2) Bonus Shares for every one (1) existing ordinary share; and
- (ii) proposed bonus issue of up to 63,237,850 warrants on the basis of one (1) Warrant for every two (2) existing Shares.

The Proposed Bonus Issue of Shares is proposed to be undertaken to:-

- reward the Company’s shareholders;
- improve the trading liquidity and marketability of TAFI shares; and
- result in the Bonus Shares being more affordable in order to appeal to a wider group of public shareholders and investors.

The Proposed Bonus Issue of Warrants is proposed to be undertaken to:-

- reward the Company’s shareholders by enabling them to participate in convertible securities of the Company which are tradeable in Bursa Securities without incurring any cost;
- provide existing shareholders of the Company with an opportunity to increase their equity participation in the Company through the exercise of Warrants at a pre-determined price during the tenure of the Warrants;
- allow existing shareholders of the Company to benefit from any potential capital appreciation of the Warrants; and
- help to strengthen the Company’s capital base and shareholders’ funds as well as potentially providing additional working capital for the Group, as and when the Warrants are exercised.

Further details of the above Bonus Issue of Shares and Bonus Issue of Warrants are available via Bursa Announcement made on 7 December 2021.

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 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, 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/>

Media Contact:

Mr. Tay Ek Kuan (Mobile No.: +6012-6969852)
ektay@tafur.com.my

TAFI Industries Berhad
PLO 3, Kawasan Perindustrian Bukit Pasir, Mukim Sungai Raya,
84300 Bukit Pasir, Muar, Johor, Malaysia.

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