TAFI INDUSTRIES BERHAD ("TAFI" OR THE "COMPANY")

PROPOSED DIVERSIFICATION OF THE TRADING SEGMENT OF TAFI AND ITS SUBSIDIARIES (COLLECTIVELY, THE "GROUP" OR "TAFI GROUP") TO INCLUDE TRADING AND SUPPLY OF FURNITURE AND FITTINGS, BUILDING MATERIALS, AND RELATED PRODUCTS ("PROPOSED DIVERSIFICATION")

*The latest practicable date prior to the date of this announcement ("**LPD**") is 18 March 2026.*

1. INTRODUCTION

On behalf of the Board of Directors of the Company ("**Board**"), Sierac Corporate Advisers Sdn. Bhd. ("**SCA**") wishes to announce that the Company proposes to undertake the Proposed Diversification.

Further details of the Proposed Diversification are set out in the ensuing sections of this announcement.

2. DETAILS OF THE PROPOSED DIVERSIFICATION

The Group is principally involved in the following segments: -

(i) **Construction segment** – Construction activities

(ii) **Property development segment** – Property development activities and sales of completed units

(iii) **Furniture products segment** – Trading of manufactured goods and installation

(iv) **Trading segment** – Sales of solar panels, inverters, as well as solar related products and services ("**Solar Panel**")

On 3 December 2025, the Board announced the disposal of a piece of freehold land together with a factory building erected thereon ("**Disposal of Land**"), alongside with its decision to discontinue the Group's own loss-making furniture manufacturing activities. Notwithstanding the discontinuation of its furniture manufacturing activities, the Group will maintain its market presence in the furniture industry through the trading and supply of furniture, fittings, household decoration, and furniture related products and services ("**Furniture and Fittings**") sourced from other suppliers and manufacturers.

Meanwhile, the Group has been trading and supplying building materials and construction related equipment ("**Building Materials**") under its construction segment as ancillary services to support its construction activities. Moving forward, the Board intends to expand the trading segment by entering into standalone trading contracts for Building Materials as part of the Group's strategy to further optimise its business profile.

Accordingly, the Proposed Diversification is undertaken to include the trading and supply of Furniture and Fittings as well as Building Materials under the trading segment.

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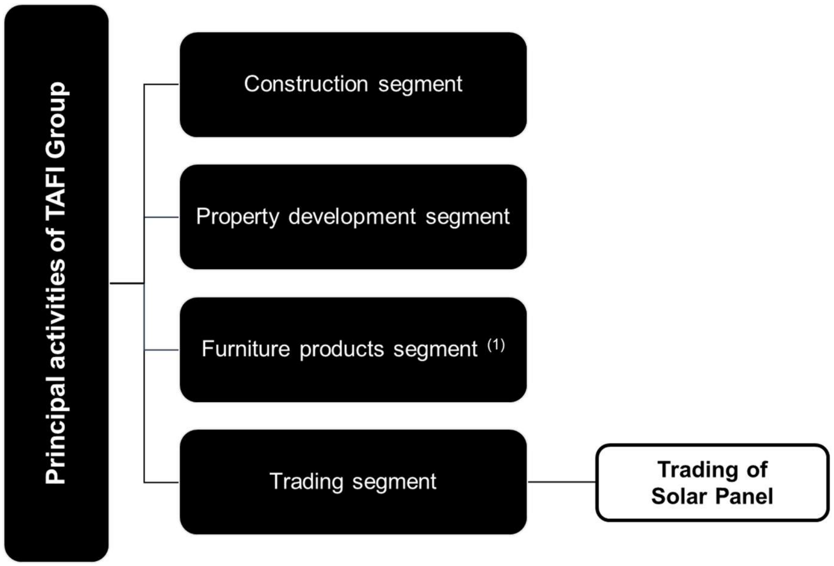
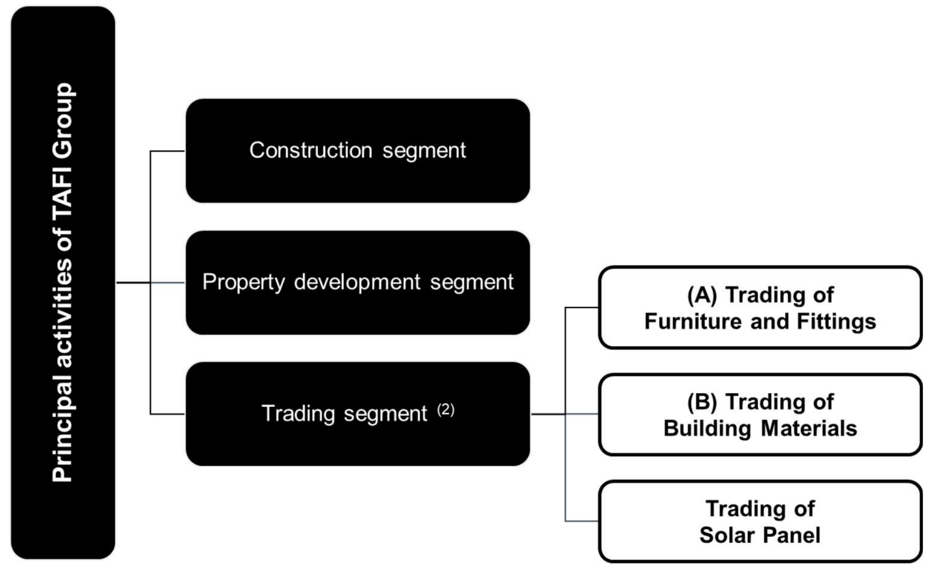
The principal activities of the Group before the Disposal of Land and the Proposed Diversification, as well as after the Disposal of Land and the Proposed Diversification, are illustrated below: -

Before the Disposal of Land and the Proposed Diversification



After the Disposal of Land and the Proposed Diversification



Notes: -

(1) On 3 December 2025, the Board announced the Disposal of Land, alongside with its decision to discontinue the Group's own loss-making furniture manufacturing activities.

(2) The Proposed Diversification is undertaken to include the trading and supply of Furniture and Fittings as well as Building Materials under the trading segment.

(A) Trading of Furniture and Fittings

Notwithstanding the discontinuation of its furniture manufacturing activities pursuant to the Disposal of Land, the Group will continue to involve in the furniture business through the trading and supply of Furniture and Fittings sourced from other suppliers and manufacturers under the trading segment. This approach allows the Group to maximise the utilisation of the shareholders' mandate obtained at the Company's 21st annual general meeting held on 20 November 2025 ("**RRPT Mandate**"), which authorises TAFI Group to trade Furniture and Fittings with its related parties.

As at the LPD, the Group has ceased all furniture manufacturing activities. Pursuant to the Proposed Diversification, the Group's furniture-related activities will be undertaken under the trading segment. Notwithstanding the cessation, the revenue from the recognition of sales in respect of manufacturing orders secured prior to the cessation will be captured in the financial year ended ("**FYE**") 30 June 2026.

(B) Trading of Building Materials

The Group has been trading and supplying Building Materials under its construction segment as ancillary services to support its construction activities. Consequently, the trading and supply of Building Materials was not operated as a separate reportable segment, and its financial contribution was aggregated within the results of the construction segment.

Moving forward, the Board intends to expand the trading segment by entering into standalone trading contracts for Building Materials as part of the Group's strategy to further optimise its business profile while maximising the utilisation of the RRPT Mandate which authorises TAFI Group to trade Building Materials with its related parties.

For information, the Group has been involving in the trading and supply of Solar Panel. As the trading segment will be expanded to include the trading and supply of Furniture and Fittings as well as Building Materials, the Board anticipates that the aggregate revenue to be generated from the trading segment may: -

(i) contribute more than 25% of the net profits of the Group; and/or

(ii) cause a diversion of more than 25% of the Group's net assets ("**NA**") to an operation which differs widely from its existing segments.

Accordingly, the Company proposes to seek approval from the shareholders for the Proposed Diversification to include the trading and supply of Furniture and Fittings as well as Building Materials under the trading segment, pursuant to Paragraph 10.13(1) of the Listing Requirements at an extraordinary general meeting of the Company ("**EGM**") to be convened.

Notwithstanding the Proposed Diversification, the Group will continue with the construction segment and the property development segment in the same manner. The Board will continuously monitor the Group's business operations and take the necessary course of action(s) from time to time, where applicable, with the objective of enhancing the Group's financial performance and position.

2.1 Financial performance of the Group

The financial performance by segments of the Group for the past three (3) audited financial years/ period as well as for the unaudited 6-month and 12-month financial period ended ("**FPE**") 31 December 2024 and 6-month FPE 31 December 2025 are set out below: -

	Audited			Unaudited		
	FYE 31 December 2022	**FYE 31 December 2023**	**(1) 18-month FPE 30 June 2025**	**12-month FPE 31 December 2024**	**6-month FPE 31 December 2024**	**6-month FPE 31 December 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue						
- Construction segment	38,326	44,644	133,633	64,975	43,514	124,513
- Furniture products segment	34,478	24,141	32,027	22,698	10,946	(2) 16,733
- Property development segment	-	10,626	31,113	6,105	828	38,698
- Trading segment (3)	-	-	27,200	21,139	10,582	-
Total segmental revenue	**72,804**	**79,411**	**223,973**	**114,917**	**65,870**	**179,944**
Others (4)	-	-	420	-	-	-
Total revenue	**72,804**	**79,411**	**224,393**	**114,917**	**65,870**	**179,944**
Profit before tax ("PBT")/ Loss before tax ("LBT")						
- Construction segment	8,038	5,016	23,303	10,993	7,731	17,067
- Furniture products segment	3,253	(3,116)	(300)	3,361	5,265	(2,147)
- Property development segment	-	(2,543)	9,163	4,311	573	10,690
- Trading segment (3)	-	-	1,522	1,305	605	(126)
Total segmental PBT/ (LBT)	**11,291**	**(643)**	**33,688**	**19,970**	**14,174**	**25,484**
Others (4)	-	(431)	3,262	-	-	-
Elimination	-	11	(2,142)	-	-	-
Total PBT/ (LBT)	**11,291**	**(1,063)**	**34,808**	**19,970**	**14,174**	**25,484**
Profit after tax ("PAT")/ Loss after tax	**10,035**	**(2,051)**	**24,453**	**16,672**	**12,359**	**18,572**

Notes: -

(1) On 27 March 2025, the Company announced the change of its FYE from 31 December to 30 June, with the next audited financial statements covering a period of 18 months from 1 January 2024 to 30 June 2025.

(2) As at the LPD, the Group has ceased all furniture manufacturing activities. The manufacturing revenue recognised under the furniture products segment mainly relates to manufacturing orders secured prior to the cessation.

(3) The Group's involvement in the trading and supply of Solar Panel has been limited in scale, with revenue and PAT contribution of less than 25% of the Group's total revenue and total PAT.

(4) Revenue contribution from investment holding and dormant subsidiaries.

The financial commentaries for the Group's past three (3) audited financial years/ period as well as for the unaudited 6-month and 12-month FPE 31 December 2024 and 6-month FPE 31 December 2025 are as set out below: -

(i) FYE 31 December 2023 vs FYE 31 December 2022

The Group's total revenue increased by approximately RM6.61 million or 9.08% to RM79.41 million in FYE 31 December 2023 (FYE 31 December 2022: RM72.80 million) which was mainly attributable to the following: -

(a) Property development segment recognised a revenue of RM10.63 million (FYE 31 December 2022: nil), primarily due to recognition of revenue from the Group's maiden property development project at Habu, Pahang, with an estimated gross development value of RM410.00 million. During the financial year, revenue recognised was limited to units allocated under landowner entitlement.

(b) Revenue from the construction segment increased by approximately RM6.31 million or 16.46% to RM44.64 million (FYE 31 December 2022: RM38.33 million), primarily attributable to revenue recognised from construction contracts for the construction of small office home office units (SOHO) and related facilities at Pinnacle Subang Jaya (**"Pinnacle Subang Jaya Project"**), construction of theme park works at Kinta, Perak (Kinta Perak Theme Park project), and construction of factory at Mukim Telok Panglima Garang, Selangor ("**Teluk Panglima Garang Project**").

The increase in total revenue is partially offset by a decrease in revenue from the furniture products segment by approximately RM10.34 million or 29.99% to RM24.14 million (FYE 31 December 2022: RM34.48 million), primarily due to weak demand in oversea market as well as intensified market competition resulting in reduced order volumes from its customers.

Despite the growth in total revenue, the Group's PBT decreased by approximately RM12.35 million to an LBT of RM1.06 million in FYE 31 December 2023 (PBT of FYE 31 December 2022: RM11.29 million). This was mainly attributable to the following: -

(a) PBT from the furniture products segment decreased by approximately RM6.37 million to an LBT of RM3.12 million (PBT for the FYE 31 December 2022: RM3.25 million), primarily due to smaller-order OEM production volumes despite continued exports to United States of America, Middle East countries, United Kingdom, Australia, Europe and New Zealand. The higher PBT in the preceding financial year was primarily due to a one-off gain of approximately RM5.74 million from the disposal of industrial premises comprising a single-storey detached factory and a guard house erected thereon in Muar, Johor.

(b) PBT from the construction segment decreased by approximately RM3.02 million or 37.56% to RM5.02 million (FYE 31 December 2022: RM8.04 million). The higher PBT in the preceding financial year was primarily due to higher other income recognised, arising from the profit-sharing arrangement for the construction contract for Permas City project.

(c) Property development segment incurred an LBT of RM2.54 million (FYE 31 December 2022: nil), primarily due to higher interest expenses arising from the landowner's entitlement to receive completed units for the Group's maiden property development project at Habu, Pahang. The entitlement is discounted to its present value, with the difference between the present value and the future value recognised as finance cost.

(ii) 12-month FPE 31 December 2024 vs FYE 31 December 2023

The Group's total revenue increased by approximately RM35.51 million or 44.72% to RM114.92 million for the 12-month FPE 31 December 2024 (FYE 31 December 2023: RM79.41 million), which was mainly attributable to the following: -

(a) Trading segment recognised a revenue of RM21.14 million (FYE 31 December 2023: nil), primarily due to increased Solar Panel sales.

(b) Revenue from the construction segment increased by approximately RM20.34 million or 45.56% to RM64.98 million (FYE 31 December 2023: RM44.64 million), primarily attributable to revenue recognised from construction contracts for the Pinnacle Subang Jaya Project, Metro Kepong Phase 2D project and the construction of main building and associated works for Setia Alam Phase 1 project.

The increase in total revenue is partially offset by the following: -

(a) Revenue from property development segment decreased by approximately RM4.52 million or 42.52% to RM6.11 million (FYE 31 December 2023: RM10.63 million), primarily due to decrease in recognition of revenue from units allocated under landowner entitlement.

(b) Revenue from the furniture products segment decreased by approximately RM1.44 million or 5.97% to RM22.70 million (FYE 31 December 2023: RM24.14 million), primarily due to smaller-order OEM production volumes despite continued exports to United States of America, Middle East countries, United Kingdom, Europe and New Zealand.

In line with the increase in total revenue, the Group recorded a PBT of RM19.97 million for the 12-month FPE 31 December 2024 (LBT of FYE 31 December 2023: RM1.06 million), mainly attributable to the following: -

(a) PBT from the property development segment increased by approximately RM6.85 million to RM4.31 million (LBT for the FYE 31 December 2023: RM2.54 million). The lower PBT in the preceding financial year was primarily due to higher interest expenses arising from the landowner's entitlement to receive completed units for the Group's maiden property development project at Habu, Pahang.

(b) PBT from the construction segment increased by approximately RM5.97 million or 118.92% to RM10.99 million (FYE 31 December 2023: RM5.02 million), in line with the revenue performance of the construction segment.

(c) PBT from the furniture products segment improved by approximately RM6.48 million to RM3.36 million (LBT for the FYE 31 December 2023: RM3.12 million), primarily due to one-off gain of approximately RM9.00 million from the disposal of an industrial premises comprising a single-storey detached factory annexed with three storey office and a guard house erected thereon in Muar, Johor.

(d) Trading segment recorded a PBT of RM1.31 million (FYE 31 December 2023: nil), in line with the revenue performance of trading segment.

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(iii) 6-month FPE 31 December 2025 vs 6-month FPE 31 December 2024

The Group's total revenue increased by approximately RM114.07 million or 173.17% to RM179.94 million for the 6-month FPE 31 December 2025 (6-month FPE 31 December 2024: RM65.87 million) which was mainly attributable to the following: -

(a) Revenue from the construction segment increased by approximately RM81.00 million or 186.16% to RM124.51 million (6-month FPE 31 December 2024: RM43.51 million), primarily due to revenue recognised from construction contracts for the Pinnacle Subang Jaya Project and the Metro Kepong Phase 2D project.

(b) Revenue from the property development segment increased by approximately RM37.87 million or 4,562.65% to RM38.70 million (6-month FPE 31 December 2024: RM0.83 million), primarily due to recognition of revenue from purchasers for the Group's maiden property development project at Habu, Pahang, following the issuance of the Advertisement Permit and Developer's Licence for the project.

(c) Revenue from the furniture products segment increased by approximately RM5.78 million or 52.79% to RM16.73 million (6-month FPE 31 December 2024: RM10.95 million), primarily due to increase in order volumes.

In line with the increased in total revenue, the Group's PBT increased by approximately RM11.31 million or 79.82% to RM25.48 million (6-month FPE 31 December 2024: RM14.17 million), mainly attributable to the following: -

(a) PBT from the property development segment increased by approximately RM10.12 million or 1,775.44% to RM10.69 million (6-month FPE 31 December 2024: RM0.57 million), in line with the revenue performance of the property development segment.

(b) PBT from the construction segment increased by approximately RM9.34 million or 120.83% to RM17.07 million (6-month FPE 31 December 2024: RM7.73 million), in line with the revenue performance of the construction segment.

The increase in total PBT is partially offset by the following: -

(a) PBT from the furniture products segment decreased by approximately RM7.42 million to an LBT of RM2.15 million (PBT for the 6-month FPE 31 December 2024: RM5.27 million). The higher PBT in the preceding financial year was primarily due to a one-off gain of approximately RM9.00 million from the disposal of an industrial premises comprising a single-storey detached factory annexed with three storey office and a guard house erected thereon in Muar, Johor.

(b) PBT from the trading segment decreased by approximately RM0.74 million to an LBT of RM0.13 million (PBT for the 6-month FPE 31 December 2024: RM0.61 million), primarily due to interest expenses incurred in the absence of revenue recognition.

Based on the past financial results of the Group as tabulated above, the construction segment was the largest revenue contributor to the Group's total revenue.

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2.2 Key management personnel

The Group has identified Dato' Sri Azlan Bin Azmi, the Group Managing Director, and Tang Hang Chuan, Danny, the General Manager of the Company to oversee the trading segment pursuant to the Proposed Diversification.

2.2.1 Dato' Sri Azlan Bin Azmi

Dato’ Sri Azlan Bin Azmi was appointed as the Executive Director of the Company on 6 October 2020 and subsequently re-designated to the Group Managing Director on 27 October 2020. Dato’ Sri Azlan Bin Azmi graduated from Universiti Teknologi Malaysia with a Diploma in Civil Engineering. He has extensive experience in building, construction and civil engineering industry and also in property development.

Dato’ Sri Azlan Bin Azmi began his career in 1999 by undertaking a private project with Rothmans Petaling Jaya. Further, in year 2000, he joined Brunsfield Engineering Sdn. Bhd. to gain more knowledge in the construction industry. At the end of 2002, he worked with a Taiwanese group of companies where he was actively involved in implementing and managing numerous construction and property development projects before leaving in 2014 to start his own construction and property development business.

Besides being involved in the construction and property development business, Dato’ Sri Azlan Bin Azmi is also involved in the provision of photovoltaic solar energy solutions of the Group. Dato’ Sri Azlan Bin Azmi does not hold any directorships in other public companies but sits on the board of several private limited companies.

2.2.2 Tang Hang Chuan, Danny

Tang Hang Chuan, Danny was employed as General Manager of the Company since September 2020. He graduated from Tam Kam University, Taipei, Taiwan (R.O.C.) with Bachelor of Science in Business Administration. He has over 15 years of experience in the consumer electronics manufacturing industry and 20 years in furniture manufacturing operation.

Tang Hang Chuan, Danny began his career in 1991 with Capetronic (Taiwan) Corp in Taiwan, where he was involved in marketing and product management. In 1995, he relocated to China to join Capetronic Manufacturing Ltd as a Business Support Manager. He subsequently joined Nakamichi Malaysia Sdn Bhd (formerly known as Capetronic (M) Corporation Sdn Bhd) as Senior Material and Customer Service Manager in 1997.

In 2005, he transitioned into the furniture industry by joining Teknion Furniture (Malaysia) Sdn Bhd as Senior Operation Manager until 2017. He has also been a director of Tang Concept Sdn Bhd since 2018. Save for his directorship in Tang Concept Sdn Bhd, Tang Hang Chuan, Danny does not hold any directorships in other public companies and private limited companies.

Moving forward, the Group may potentially recruit additional manpower to assist Dato’ Sri Azlan Bin Azmi and Tang Hang Chuan, Danny in managing the trading segment. Details and size of the recruitment can only be determined at a later stage depending on the scope and scale of the anticipated trading contracts, as well as the Group's operating requirements at the material time.

3. RATIONALE FOR THE PROPOSED DIVERSIFICATION

The Proposed Diversification is strategically intended to transition the Group’s procurement and manufacturing functions into an enlarged trading segment, aimed at expanding the Group’s revenue base while strengthening its operational focus. As set out in Section 2 of this Announcement, the Proposed Diversification is sought as the Board expects the trading segment to contribute more than 25% of the Group’s net profit or cause a diversion of more than 25% of the Group’s NA moving forward.

Historically, the Group's involvement in Furniture and Fittings business was primarily focused on in-house manufacturing to support its export business and external project requirements, while its involvement in trading and supply of Building Materials was primarily an internal project support and procurement function to support the construction segment. Following the discontinuation of its own loss-making furniture manufacturing activities pursuant to the Disposal of Land, the Group will continue to involve in the furniture business through the trading and supply of Furniture and Fittings sourced from other suppliers and manufacturers under the trading segment.

Building on its experience in managing the end-to-end supply chain for its own projects, the Group has established a robust network of reliable suppliers and subcontractors, developed technical expertise in product sourcing and quality control, quality assurance, and achieved economies of scale in procurement. Leveraging these capabilities, the Group is well-positioned to operate an asset-light trading model that enables it to fulfil existing commitments while supporting future business opportunities.

The trading and supply of Furniture and Fittings as well as Building Materials does not represent a departure from the Group's core competencies but rather a form of vertical integration. These trading activities will continue to support the Group's construction segment and property development segment while also actively securing and bidding for external trading contracts and purchase orders. Hence, the trading segment is expected to strengthen revenue diversification, enhances earning stability, and supports the strategic rationale of the Proposed Diversification.

In view of the above, the Board is confident that the Proposed Diversification will augur well with the construction segment and the property development segment of the Group, and will contribute positively to the earnings of the Group in the near future.

4. Prospects of TAFI Group

The Group is undergoing a strategic shift from traditional mass manufacturing towards a high-value, project support model. This transition is aimed at streamlining non-core operations and leveraging its supply chain activities, thereby creating a more balanced business profile that diversifies and expands the Group's revenue streams while mitigating market volatility.

The discontinuation of its in-house manufacturing activities is expected to eliminate significant factory overheads and improve cash flow. The Group will continue to fulfil existing letters of award while leveraging its supply chain and operational capacity to accommodate anticipated orders from potential third-party customers and the related parties pursuant to the RRPT Mandate. Moving forward, all trading and supply of Furniture and Fittings under the trading segment will be fulfilled and sourced externally from its established network of subcontractors and suppliers.

Separately, the strategic expansion of trading and supply of Building Materials from an internal project support and procurement function to an independent revenue-generating trading business enables the Group to leverage its established supply chain and supplier network, secure external supply contracts, as well as to strengthen its position as an integrated service provider for construction projects. In addition to the anticipated standalone trading contracts from the related parties pursuant to the RRPT Mandate, the Group intends to actively bid for and secure such contracts from third-party construction contractors, property developers, interior designers and renovation companies, thereby reducing dependency on the Group's own construction order book.

The construction segment and the property development segment will continue to benefit from the Building Materials business under the trading segment, which provides a cost-effective and reliable supply of quality materials, thereby mitigating risks associated with price volatility and supply chain disruptions. Simultaneously, the Furniture and Fittings business under the trading segment will continue to support the construction segment and the property development segment by enabling the Group to provide integrated interior fit-out solutions as part of its project execution, thereby enhancing the overall quality and marketability of the Group's construction projects. These initiatives enhance operational efficiency, broaden revenue streams, and position the Group for sustainable long-term growth.

(Source: Management of TAFI Group)

5. RISK FACTORS

The risk factors relating to the Proposed Diversification include, but are not limited to, the following: -

5.1 Business diversification risks

The trading segment of TAFI Group will be exposed to risks typically to trading and supply of Furniture and Fittings as well as Building Materials which include, amongst others, supply and demand conditions, downturns in the global and domestic economy, disruptions in logistics and supply chains, availability of labour as well as fluctuations in the costs of Furniture and Fittings as well as Building Materials. Any significant increase in the costs of Furniture and Fittings as well as Building Materials may adversely affect the Group's margins, particularly where such increases cannot be passed on to customers in a timely manner.

While TAFI Group will seek to limit these risks through prudent management policies, pricing strategies, and cost control measures, there can be no assurance that any change in these factors will not have a material adverse impact on the business and prospects of the TAFI Group.

5.2 Dependency on key management personnel

Our Group's diversification into trading and supply of Furniture and Fittings as well as Building Materials depends largely on the skills, abilities, competencies and continued effort of the key management personnel as set out in Section 2.2 of this announcement. Recognising the importance of the key personnel involved, TAFI Group will adopt appropriate approaches, including incentives, remuneration packages as well as provide a good working environment to promote productivity and retain his services. However, there is no assurance that the loss of such key personnel will not adversely affect the Group's trading segment.

5.3 Political, economy and regulatory risks

Adverse developments in political and economic conditions, as well as regulatory uncertainties in the countries in which the Group operates, could materially affect the financial prospects, operations and business of the Group. Such risks include, amongst others, changes in political state, changes in economic conditions, changes in governmental policies such as labour laws, interest rates, and taxation policies, and other regulatory requirements.

While the Group will monitor the key development in the abovementioned political, economic and regulatory conditions and take measures to mitigate such risks by reviewing the Group's business strategies in response to any changes in political, economic and regulatory conditions, there is no assurance that these risks will not materially and adversely affect the Group.

5.4 Competition risk

With the advent of the Proposed Diversification, TAFI Group may face competition from both new entrants and existing players in trading and supply of Furniture and Fittings as well as Building Materials. Such competition may arise in various aspects, including pricing, financial position and strength, ability to obtain adequate financing, as well as reputation for safety and quality.

While the Group will take proactive measures to remain competitive by leveraging its established supply chain and supplier network, as well as continuously pursuing trading contracts and purchase orders, there can be no assurance that the aforesaid factors will not have any adverse impact on TAFI Group's chances of securing such contracts and orders, which could in turn negatively impact the performance of the trading segment.

6. EFFECTS OF THE PROPOSED DIVERSIFICATION

6.1 Share capital and substantial shareholders' shareholding

The Proposed Diversification will not have any effect on the Company's issued share capital and the substantial shareholders' shareholding in the Company as it does not involve any issuance of new shares in TAFI ("**Shares**").

6.2 Earnings and earnings per share ("EPS")

The Proposed Diversification will not have any immediate material effect on the earnings and EPS of the Group. Barring any unforeseen circumstances, the Board anticipates that the profit contribution from the Proposed Diversification will have a positive impact on the future earnings and EPS of the Group.

6.3 NA, NA per Share and gearing

The Proposed Diversification will not have any immediate material effect on the NA, NA per Share and gearing of the Group. However, the expected profit contribution from the Proposed Diversification will have a positive impact on the Group's NA and NA per Share once the potential benefits materialise.

6.4 Convertible securities

Save for the 61,967,597 outstanding warrants at the exercise price of RM0.70 each (as constituted by the deed poll dated 24 January 2022 which will expire on 15 February 2027) ("**Warrants**"), the Company does not have any other outstanding convertible securities as at the LPD. The Proposed Diversification will not result in any adjustment to the exercise price and number of the outstanding Warrants.

7. APPROVALS REQUIRED

The Proposed Diversification is subject to the approval of the shareholders of TAFI being obtained at the EGM to be convened.

The Proposed Diversification is not conditional or inter-conditional upon any other proposals undertaken or to be undertaken by the Company.

8. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders, chief executive of the Company and/or persons connected with them has any interest, direct and indirect, in the Proposed Diversification.

9. DIRECTORS' STATEMENT

After having considered all aspects of the Proposed Diversification, including but not limited to the rationale, risk factors and effects of the Proposed Diversification as well as the prospects of the Group, the Board is of the opinion that the Proposed Diversification is in the best interest of the Company.

10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Proposed Diversification is expected to be completed by the first half of 2026. For information purpose, the Proposed Diversification shall take immediate effect upon obtaining the approval of TAFI's shareholders at the EGM to be convened.

11. ADVISER

SCA has been appointed as the Adviser to the Company for the Proposed Diversification.

This announcement is dated 25 March 2026.