

THIS CIRCULAR TO SHAREHOLDERS OF TAFI INDUSTRIES BERHAD (“TAFI” OR THE “COMPANY”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad (“Bursa Securities”) has perused this Circular in respect of the proposed shareholders’ mandate for new Recurrent Related Party Transactions on a limited review basis pursuant to the provisions of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

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TAFI INDUSTRIES BERHAD
Registration No. 200401002432 (640935-P)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO

THE PROPOSED NEW AND RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED SHAREHOLDERS’ MANDATE”)

IN CONJUNCTION WITH THE SPECIAL BUSINESS

AT THE 18TH ANNUAL GENERAL MEETING

The Notice convening the 18th Annual General Meeting (“18th AGM”) of TAFI will be conducted entirely on a fully virtual basis through the online meeting platform of TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd, Malaysia on Wednesday, 18 May 2022 at 11:00 a.m. or at any adjournment thereof, for the purpose of considering the Proposed Shareholders’ Mandate. The Notice of the 18th AGM, together with the Proxy Form are set out in the Annual Report of TAFI for the financial year ended 31 December 2021 while the extract of resolutions on the Proposed Shareholders’ Mandate are set out in Appendix II of this Circular.

The Proxy Form should be completed and deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or in the case of electronic appointment, the Proxy Form must be deposited via TIIH Online at <http://tiih.online> not less than forty-eight (48) hours before the time for holding the 18th AGM or adjourned meeting at which the person named in the instrument proposes to vote. The lodging of the Proxy Form will not preclude a shareholder from attending and voting in person at the 18th AGM should the shareholder subsequently wish to do so.

Last date and time for lodging the Proxy Form : **Monday, 16 May 2022 at 11:00 a.m.**
Date and time of the Annual General Meeting : **Wednesday, 18 May 2022 at 11:00 a.m.**

This Circular is dated **18 April 2022**

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular: -

Act	- Companies Act 2016, as amended from time to time and any re-enactment thereof
AGM	- Annual General Meeting of the Company
Armani Synergy or ASSB	- Armani Synergy Sdn Bhd [Registration No. 202001020520 (1376840-M)]
Board or Directors	- The Board of Directors of TAFI
Bursa Securities	- Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
Dato' Sri Andrew	- Dato' Sri Andrew Lim Eng Guan
Dato' Sri Azlan	- Dato' Sri Azlan Bin Azmi
Dato' Sri Ong	- Dato' Sri Ong Chee Kean
Dato' Sri Wong	- Dato' Sri Wong Sze Chien
Directors	- Has the meaning given in Section 2(1) of the Capital Markets and Services Act, 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or chief executive officer of TAFI Group or holding company
EGM	- Extraordinary general meeting of the Company
Interested Directors	- Directors who are deemed to be Related Parties and are interested in the Proposed Shareholders' Mandate
Interested Major Shareholders	- Major shareholders who are deemed to be Related Parties and are interested in the Proposed Shareholders' Mandate
Interested Persons Connected	- In relation to a director and/or major shareholder, who falls under any one of the following categories:- <ol style="list-style-type: none">i. a family member of the director or major shareholder;ii. a trustee of a trust (other than a trustee for an employee share scheme or pension scheme) under which the director, major shareholder or a family member of the director or major shareholder, is the sole beneficiary;iii. a partner of the director, major shareholder or a partner of a person connected with that director or major shareholder;iv. a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director or major shareholder;v. a person in accordance with whose directions, instructions or wishes the director or major shareholder is accustomed or is under an obligation, whether formal or informal, to act;vi. a body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director or major shareholder;vii. a body corporate or its directors whose directions, instructions or wishes the director or major shareholder is accustomed or under an obligation, whether formal or informal, to act;viii. a body corporate in which the director or major shareholder, or persons connected with him are entitled to exercise, or control the exercise of, not less than twenty percent (20%) of the votes attached to voting shares in the body corporate; orix. a body corporate which is a related corporation of the director or major shareholder

DEFINITIONS (Cont'd)

Listing Requirements	-	Main Market Listing Requirements of Bursa Securities as amended from time to time
LPD	-	6 April 2022, being the latest practicable date prior to the printing of this Circular
Major Shareholder(s)	-	<p>Includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of TAFI as defined under paragraph 1.01 of the Listing Requirement or any other corporation which is its subsidiary or holding company.</p> <p>“major shareholder” is defined in paragraph 1.01 of the Listing Requirement as a person who has an interest or interests in one or more voting shares in a corporation and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:-</p> <ol style="list-style-type: none">ten percent (10%) or more of the total number of the voting shares in the corporation; orfive percent (5%) or more of the total number of the voting shares in the corporation where such person is the largest shareholder of the corporation.” <p>For the purpose of this definition, "interest in shares" has the meaning given in Section 8 of the Act.”</p>
Proposed Shareholders' Mandate	-	Proposed shareholders' mandate for TAFI Group to enter into new and existing recurrent related party transactions of a revenue or trading nature with related parties in the ordinary course of business which are necessary for TAFI Group's day-to-day operations.
Recurrent Transactions or Recurrent Transaction or RRPT or RRPT(s) or RRPTs	-	Recurring transactions of a revenue or trading nature which are necessary for the day-to-day operations and are entered into by the TAFI Group with the Related Parties in the ordinary course of business which involves the interest, direct or indirect, of a Related Party
Related Party or Related Parties	-	Directors, major shareholders or persons connected with such director or major shareholder as defined under Chapters 1 and 10 of the Listing Requirements
RM and sen	-	Ringgit Malaysia and sen, respectively
Shareholders	-	Registered holders of TAFI Shares
TAFI or Company	-	TAFI Industries Berhad [Registration No. 200401002432 (640935-P)]
TAFI Group or Group	-	Collectively, TAFI and its subsidiaries
TAFI Share(s) or Share(s)	-	Ordinary share(s) in TAFI

All references to “our Company” in this Circular are to TAFI, references to “our Group” are to our Company and our subsidiaries. All references to “we”, “us”, “our” and “ourselves” are to our Company, or where the context requires, our Group. All references to “you” in this Circular are references to the shareholders of our Company.

In this Circular, words referring to the singular shall, where applicable, include the plural and *viceversa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated. Any discrepancies in the tables between the amounts stated, actual figures and the totals thereof in this Circular are due to rounding.

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TAFI INDUSTRIES BERHAD
[Registration No. 200401002432 (640935-P)]
(Incorporated in Malaysia)

Registered Office:

PLO 3 Kawasan
Perindustrian Bukit Pasir
Mukim Sungai Raya
84300 Bukit Pasir, Muar
Johor

18 April 2022

Board of Directors

Dato' Sri Ong Chee Kean (*Non-Independent Non-Executive Chairman*)
Dato' Sri Azlan Bin Azmi (*Group Managing Director*)
Dato' Sri Wong Sze Chien (*Group Chief Executive Officer*)
Dato' Sri Andrew Lim Eng Guan (*Executive Director*)
Leong Boon Tik (*Senior Independent Non-Executive Director*)
Leong Sher-How (*Independent Non-Executive Director*)
Teh Soon Hin (*Independent Non-Executive Director*)
Abdul Malek Bin Jalil (*Non-Independent Non-Executive Director*)

To: Our Shareholders

Dear Sir/Madam,

PROPOSED SHAREHOLDERS' MANDATE

1. INTRODUCTION

At the TAFI's 17th AGM held on 17 August 2021 and its EGM held on 21 January 2022, the Company sought and obtained from its shareholders the general mandate for TAFI Group to enter into RRPTs of a revenue or trading nature in the ordinary course of business based on commercial terms which are not more favourable to the Related Parties than those generally available to the public and which are necessary for TAFI Group's day to day operations. The aforesaid mandate shall, in accordance with Listing Requirements, lapse at the conclusion of the forthcoming 18th AGM of the Company unless authority for its renewal is obtained from the shareholders.

The Company had on 17 March 2022 announced its intention to seek the shareholders' approval for the Proposed Shareholders' Mandate at the forthcoming 18th AGM.

The purpose of this Circular is to provide you with information on the Proposed Shareholders' Mandate and to seek your approval to the resolutions pertaining to the Proposed Shareholders' Mandate which will be tabled at the forthcoming 18th AGM. The Notice of the 18th AGM and the Proxy Form are enclosed in the Annual Report.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE ANNEXURES CONTAINED THEREIN BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSED SHAREHOLDERS' MANDATE AT THE FORTHCOMING 18TH AGM.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

Pursuant to Paragraph 10.09(2) of the Listing Requirements and Practice Note 12 of the Listing Requirements, a listed company may seek a shareholders' mandate in respect of its RRPTs subject to the following:-

- i. the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- ii. the shareholder mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholder mandate during the financial year where, the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements.
- iii. the issuance of a circular to shareholders for the mandate from the shareholders of the Company;
- iv. in a meeting to obtain the shareholders' mandate, the Interested Directors, Interested Major Shareholders or Interested Persons Connected; and where it involves the interest of an Interested Person Connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution to approve the transactions. An Interested Director or Interested Major Shareholder must also ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- v. immediate announcement to the Bursa Securities when the actual value of a RRPT entered into by TAFI, exceeds the estimated value of the RRPT disclosed in the Circular by 10% or more and must include information as may be prescribed by the Bursa Securities in its announcement.

Where a shareholder mandate pursuant to Paragraph 10.09(2) of the Listing Requirements has been procured, the provisions of Paragraph 10.08 of the Listing Requirements shall not apply.

The Proposed Shareholders' Mandate, if approved at TAFI's 18th AGM shall take effect from the passing of the ordinary resolutions on the Proposed Shareholders' Mandate at TAFI's 18th AGM and shall continue to be in force until:-

- i. the conclusion of the next AGM of the Company, following the general meeting at which such ordinary resolution is passed, at which time it shall lapse, unless by a resolution passed at such AGM, the authority conferred by this resolution is renewed; or
- ii. the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- iii. revoked or varied by a resolution passed by the shareholders of the Company in a general meeting before the next AGM,

whichever is earlier.

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3. PRINCIPAL ACTIVITIES OF TAFI GROUP

TAFI is principally an investment holding and provision of management services. The principal activities of subsidiaries of TAFI are as follows:-

Name of Company	Place of incorporation	Effective Equity Interest(%)	Principal activities
T.A. Furniture Industries Sdn Bhd	Malaysia	100	a) Manufacturing and marketing of all kinds of furniture products including project-based furniture and related products; and b) Trading of all kinds of goods, including but not limited to wood related products; glass; builders' materials; timber; household utensils; household fittings; electrical appliances; wiring and materials; wireless apparatus; solar panels; inverters and solar related products
TAFI Development Sdn Bhd	Malaysia	100	Investment holdings, property development and construction activities
TAFI Home & Office Sdn Bhd (f. k. a. Home & Office Furniture Sdn Bhd)	Malaysia	100	a) General contractors and construction related works; b) Manufacturing and marketing of all kinds of furniture products including project-based furniture and related products; and c) Trading of all kinds of goods, including but not limited to wood related products; glass; builders' materials; timber; household utensils; household fittings; electrical appliances; wiring and materials; wireless apparatus; solar panels; inverters and solar related products.

3. PRINCIPAL ACTIVITIES OF TAFI GROUP (Cont'd)

Subsidiaries of T.A. Furniture Industries Sdn Bhd			
Name of Company	Place of incorporation	Effective Equity Interest(%)	Principal activities
Penquo Resources Sdn Bhd	Malaysia	100	Investment in properties
T.A. E-Furnishings Sdn Bhd	Malaysia	100	Trading of furniture products and provision of related services

Subsidiary of TAFI Development Sdn Bhd			
Name of Company	Place of incorporation	Effective Equity Interest(%)	Principal activities
Gerak Mahir Sdn Bhd	Malaysia	100	Investment holdings, property development and construction activities

Due to the diversity of TAFI Group, it is anticipated that TAFI Group would, in the normal course of business, to enter into transactions with the Related Parties, details of which are set out in Section 5 below. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

In view of the time-sensitive and frequent nature of such RRPT, the Board proposes to seek the shareholders' approval for the Proposed Shareholders' Mandate for the TAFI Group to enter into transactions in the normal course of business within the classes of Related Parties set out in Section 5 below, provided such transactions are entered into at arm's length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders. Such mandate will enable the Group to enter into the RRPTs without the necessity, in most instances, to make the otherwise announcement or to convene meetings in order to procure specific prior approval of its shareholders. The RRPTs will also be subject to the review procedures set out in Section 6 below.

4. NATURE OF TRANSACTIONS

Principal activities of the Related Parties are as follows:-

Related Parties	Principal Activities
Armani Energy Sdn Bhd	- Engineering, procurement, construction for renewable energy, installation and serving of panel system, general contractors and builders for the construction, supply of electrical and electronic appliances, wiring and any other works in such contracts
KH Ong & Ng	- A legal firm which specializes in conveyancing laws
Mercu Majuniaga Sdn Bhd	- Building contractor
Golden Armani Sdn Bhd	- Property development, construction, money lending services
Sg. Besi Construction Sdn Bhd	- Building construction and property developer
Erayear Properties Sdn Bhd	- Property development
Metro Garden Cameron Sdn Bhd	- Property development
Grand Golden Development Sdn Bhd	- Real property and housing development

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5. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

(a) Renewal of Existing Recurrent Transactions to be entered into between TAFI Group with the following related parties:-

Existing Related Party	Nature of Transaction	Estimated Value as disclosed in the Circular dated 26 April 2021 (RM'000)	Actual Value Transacted (from the date of last AGM held on 17 August 2021 up to LPD) (RM'000)	*Estimated Value of Transaction from the date of forthcoming 18 th AGM to the next AGM (RM'000)	Interested Directors, Major Shareholders and Persons Connected
Armani Energy Sdn Bhd	<p>TAFI Group purchase the solar photovoltaic energy generated by the Solar PV System owned by Armani Energy Sdn Bhd and this generator will be installed and operated by Armani Energy Sdn Bhd at the TAFI Group's factories in Muar, Johor.</p> <p><u>Particulars of the factories</u></p> <p>TA1 : PLO 3 Kawasan Perindustrian Bukit Pasir, Mukim Sungai Raya, 84300 Bukit Pasir, Muar, Johor</p> <p>TA2A : Lot 267 Kawasan Perindustrian & Bukit Pasir, Mukim Sungai Raya, 84300 Bukit Pasir, Muar, Johor</p> <p>TA2B</p> <p>Contract Period: 20 Years</p> <p><i>* Rental and maintenance cost of Solar PV System to be installed at the factory are free of charge during the contract period until TAFI Group purchase the said Solar PV System from Armani Energy Sdn Bhd.</i></p>	1,000	76.2	1,000	<p><u>Interested Major Shareholder</u> ASSB⁽ⁱ⁾</p> <p><u>Interested Directors</u> Dato' Sri Azlan⁽ⁱⁱ⁾ & ^(v) Dato' Sri Wong⁽ⁱⁱⁱ⁾ & ^(vi) Dato' Sri Andrew^(iv)</p>

5. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE (Cont'd)

(a) Renewal of Existing Recurrent Transactions to be entered into between TAFI Group with the following related parties:-

Existing Related Party	Nature of Transaction	Estimated Value as disclosed in the Circular dated 26 April 2021 (RM'000)	Actual Value Transacted (from the date of last AGM held on 17 August 2021 up to LPD) (RM'000)	*Estimated Value of Transaction from the date of forthcoming 18 th AGM to the next AGM (RM'000)	Interested Directors, Major Shareholders and Persons Connected
Armani Energy Sdn Bhd	TAFI Group purchase of the Solar PV System from Armani Synergy Sdn Bhd	5,650	-	5,100	<u>Interested Major Shareholder</u> ASSB ⁽ⁱ⁾ <u>Interested Directors</u> Dato' Sri Azlan ⁽ⁱⁱ⁾ & (v) Dato' Sri Wong ⁽ⁱⁱⁱ⁾ & (vi) Dato' Sri Andrew ^(iv)
KH Ong & Ng	Provision of legal services to TAFI Group	1,200	2.3	2,000	<u>Interested Director</u> Dato' Sri Ong ^(vii)
Mercu Majuniaga Sdn Bhd	TAFI Group purchase of building materials from Mercu Majuniaga Sdn Bhd	30,000	-	30,000	<u>Interested Major Shareholder</u> ASSB ⁽ⁱ⁾ <u>Interested Directors</u> Dato' Sri Azlan ⁽ⁱⁱ⁾ Dato' Sri Wong ⁽ⁱⁱⁱ⁾ & (viii) Dato' Sri Andrew ^(iv)

5. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE (Cont'd)

(a) Renewal of Existing Recurrent Transactions to be entered into between TAFI Group with the following related parties:-

Existing Related Party	Nature of Transaction	Estimated Value as disclosed in the Circular dated 6 January 2022 (RM'000)	Actual Value Transacted (from the date of last EGM held on 21 January 2022 up to LPD) (RM'000)	*Estimated Value of Transaction from the date of forthcoming 18 th AGM to the next AGM (RM'000)	Interested Directors, Major Shareholders and Persons Connected
Golden Armani Sdn Bhd	TAFI Group selling of furniture, fittings, household decoration and related products either on a trading or project basis to Golden Armani Sdn Bhd	20,000	-	20,000	<u>Interested Major Shareholder</u> ASSB ⁽ⁱ⁾ <u>Interested Directors</u> Dato' Sri Azlan ⁽ⁱⁱ⁾ & ^(ix) Dato' Sri Wong ⁽ⁱⁱⁱ⁾ Dato' Sri Andrew ^(iv)
Mercu Majuniaga Sdn Bhd	TAFI Group selling of:- i. wood products, building and construction related materials; and ii. furniture, fittings, household decoration and related products either on a trading or project basis to Mercu Majuniaga Sdn Bhd	50,000	11.0	50,000	<u>Interested Major Shareholder</u> ASSB ⁽ⁱ⁾ <u>Interested Directors</u> Dato' Sri Azlan ⁽ⁱⁱ⁾ Dato' Sri Wong ⁽ⁱⁱⁱ⁾ & ^(viii) Dato' Sri Andrew ^(iv)
Sg. Besi Construction Sdn Bhd	TAFI Group selling of furniture, fittings, household decoration and related products either on a trading or project basis to Sg. Besi Construction Sdn Bhd	20,000	-	20,000	<u>Interested Major Shareholder</u> ASSB ⁽ⁱ⁾ <u>Interested Directors</u> Dato' Sri Azlan ⁽ⁱⁱ⁾ & ^(x) Dato' Sri Wong ⁽ⁱⁱⁱ⁾ & ^(xi) Dato' Sri Andrew ^(iv)

5. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE (Cont'd)

(a) Renewal of Existing Recurrent Transactions to be entered into between TAFI Group with the following related parties:-

Existing Related Party	Nature of Transaction	Estimated Value as disclosed in the Circular dated 6 January 2022 (RM'000)	Actual Value Transacted (from the date of last EGM held on 21 January 2022 up to LPD) (RM'000)	*Estimated Value of Transaction from the date of forthcoming 18 th AGM to the next AGM (RM'000)	Interested Directors, Major Shareholders and Persons Connected
Erayear Properties Sdn Bhd	TAFI Group selling of furniture, fittings, household decoration and related products either on a trading or project basis to Erayear Properties Sdn Bhd	20,000	-	20,000	<u>Interested Major Shareholder</u> ASSB ⁽ⁱ⁾ <u>Interested Directors</u> Dato' Sri Azlan ⁽ⁱⁱ⁾ & ^(xii) Dato' Sri Wong ⁽ⁱⁱⁱ⁾ & ^(xiii) Dato' Sri Andrew ^(iv)
Metro Garden Cameron Sdn Bhd	TAFI Group selling of furniture, fittings, household decoration and related products either on a trading or project basis to Metro Garden Cameron Sdn Bhd	20,000	-	20,000	<u>Interested Major Shareholder</u> ASSB ⁽ⁱ⁾ <u>Interested Directors</u> Dato' Sri Azlan ⁽ⁱⁱ⁾ & ^(xiv) Dato' Sri Wong ⁽ⁱⁱⁱ⁾ & ^(xv) Dato' Sri Andrew ^(iv)
Grand Golden Development Sdn Bhd	TAFI Group selling of furniture, fittings, household decoration and related products either on a trading or project basis to Grand Golden Development Sdn Bhd	20,000	-	20,000	<u>Interested Major Shareholder</u> ASSB ⁽ⁱ⁾ <u>Interested Directors</u> Dato' Sri Azlan ⁽ⁱⁱ⁾ & ^(xvi) Dato' Sri Wong ⁽ⁱⁱⁱ⁾ & ^(xvii) Dato' Sri Andrew ^(iv)

Notes: * The estimated value of transactions is based on Management's estimates of the value of transactions to be undertaken for the period from the 18th AGM to the next AGM. However, the actual value of the transactions may be subject to changes.

5. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE (Cont'd)

(b) New Recurrent Transactions to be entered into between TAFI Group with the following new related parties:-

New Related Party	Nature of Transaction	Interested Directors, Major Shareholders and Persons Connected	*Estimated Value for Proposed New Mandate from the date of TAFI's 18 th AGM on 18 May 2022 to the date to next AGM (RM'000)
Armani Energy Sdn Bhd	TAFI Group selling of solar panels, inverters and solar related products to Armani Energy Sdn Bhd.	<u>Interested Major Shareholder</u> ASSB ⁽ⁱ⁾ <u>Interested Directors</u> Dato' Sri Azlan ^{(ii) & (v)} Dato' Sri Wong ^{(iii) & (vi)} Dato' Sri Andrew ^(iv)	20,000

Notes:

* The estimated value of transactions is based on Management's estimates of the value of transactions to be undertaken for the period from the 18th AGM to the next AGM. However, the actual value of the transactions may be subject to changes.

5. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE (Cont'd)

Related Parties and Nature of Relationship

- i. ASSB is the major shareholder of TAFI with a direct interest of 51.28% as at the LPD.
- ii. Dato' Sri Azlan is the Group Managing Director of TAFI and a major shareholder of TAFI with a direct interest of 0.04% and an indirect interest of 51.28% by virtue of his deemed interest in ASSB pursuant to Section 8 of the Act as at the LPD.
- iii. Dato' Sri Wong is the Group Chief Executive Officer of TAFI and a major shareholder of TAFI with a direct interest of 1.21% and an indirect interest of 51.28% by virtue of his deemed interest in ASSB pursuant to Section 8 of the Act as at the LPD. Dato' Sri Wong is a cousin of Dato' Sri Andrew.
- iv. Dato' Sri Andrew is the Executive Director of TAFI and a major shareholder of TAFI with a direct interest of 1.01% and an indirect interest of 51.28% by virtue of his deemed interest in ASSB pursuant to Section 8 of the Act as at the LPD. Dato' Sri Andrew is a cousin of Dato' Sri Wong.
- v. Dato' Sri Azlan is a Director and Shareholder of Armani Energy Sdn Bhd with having a direct equity interest of 20.00% as at LPD date.
- vi. Dato' Sri Wong is a Director and Shareholder of Armani Energy Sdn Bhd with having a direct equity interest of 20.00% as at LPD date.
- vii. Dato' Sri Ong is the Non-Independent Non-Executive Chairman of TAFI. He is a legal partner of KH Ong & Ng, Petaling Jaya Branch with a direct equity interest of 90.00% and an indirect equity interest of 10.00% by virtue of his sister, Ms. Ong Qi Juan as at LPD. Ms. Ong Qi Juan is also a legal partner of KH Ong & Ng, Petaling Jaya Branch, holding a direct equity interest of 10.00% and indirect equity interest of 90.00% by virtue of her brother, Dato' Sri Ong as at LPD.
- viii. Dato' Sri Wong is a Director and Shareholder of Mercu Majuniaga Sdn Bhd having a direct equity interest of 62.50% as at LPD date.
- ix. Dato' Sri Azlan is a Director and Shareholder of Golden Armani Sdn Bhd with having a direct equity interest of 99.99% as at the LPD.
- x. Dato' Sri Azlan is a Director and Shareholder of Sg. Besi Construction Sdn Bhd with having a direct equity interest of 25.50% as at the LPD.
- xi. Dato' Sri Wong is a Director and Shareholder of Sg. Besi Construction Sdn Bhd with having a direct equity interest of 25.50% as at the LPD.
- xii. Dato' Sri Azlan is a Director and Shareholder of Erayear Properties Sdn Bhd with having a direct equity interest of 30.00% as at the LPD.
- xiii. Dato' Sri Wong is a Director and Shareholder of Erayear Properties Sdn Bhd with having a direct equity interest of 50.00% as at the LPD.
- xiv. Dato' Sri Azlan is a Director of Metro Garden Cameron Sdn Bhd and having an indirect interest of 25.50% by virtue of his deemed interest in Sg. Besi Construction Sdn Bhd, the holding company of Metro Garden Cameron Sdn Bhd, pursuant to Section 8 of the Act as at the LPD.
- xv. Dato' Sri Wong is a Director of Metro Garden Cameron Sdn Bhd and having an indirect interest of 25.50% by virtue of his deemed interest in Sg. Besi Construction Sdn Bhd, the holding company of Metro Garden Cameron Sdn Bhd, pursuant to Section 8 of the Act as at the LPD.
- xvi. Dato' Sri Azlan is a Director and Shareholder of Grand Golden Development Sdn Bhd with having a direct equity interest of 40.00% as at the LPD.
- xvii. Dato' Sri Wong is a Director and Shareholder of Grand Golden Development Sdn Bhd with having a direct equity interest of 60.00% as at the LPD.

6. REVIEW METHODS OR PROCEDURES FOR RRPT(S)

The following review procedures have been formalised to ensure that the RRPTs contemplated under the Proposed Shareholders' Mandate are undertaken on transaction prices and terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of TAFI:-

(a) Identification

- (i) A list of the Related Parties will be circulated to all heads of department within the TAFI Group to notify that all transactions with the Related Parties are required to be undertaken on an arm's length basis, under normal commercial terms consistent with the Group's business practices and policies and on terms not more favourable to the Related Party(ies) than those generally available to the public and, are not to the detriment of the minority shareholders of TAFI.
- (ii) All companies within the TAFI Group are required to inform the management before entering into any RRPTs other than those entered into pursuant to the Proposed Shareholders' Mandate. In addition, all heads of department are advised to report to the Management all transactions involving Related Parties who will monitor and report to the Audit Committee for review on a quarterly basis.

(b) Authorisation

- (i) The pricing methods and procedures of the transactions are to be determined by market forces, under similar commercial terms for transactions with third parties that depend on the demand and supply, quality and the availability of the products.
- (ii) All types of RRPTs are carried out at arm's length and under the Group's normal commercial terms, and are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of TAFI Group.
- (iii) The Related Parties and Directors who are deemed interested have been advised of their responsibilities and obligations under the relevant Listing Requirements, the Group's policy and procedures for RRPTs.
- (iv) If a member of the Board or Audit Committee has an interest, direct or indirect, in any RRPT(s), he shall abstain from any decision-making by the Board or Audit Committee in respect of the said transaction(s).
- (v) Where a transaction is valued at more than RM500,000, it will be notified to Audit Committee and subject to approval by the Board. Where a transaction is valued at RM500,000 or less, it will be approved by a senior management staff who has been identified for this purpose and who shall have no interest in the transaction and notify to Audit Committee.
- (vi) Wherever practicable and/or feasible, at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantial similar type of products/services and/or quantities.
- (vii) In the event that quotations or comparative pricing from unrelated third parties cannot be obtained for the proposed transactions, the management will rely on the usual business norms and practices taking into account the efficiency, quality and type of support services to be provided to ensure that the RRPTs are not detrimental to the TAFI Group.

6. REVIEW METHODS OR PROCEDURES FOR RRPT(S) (Cont'd)

(c) Monitoring and Reporting

- (i) A register shall be maintained by the respective companies within the TAFI Group to record all RRPTs, which are entered into pursuant to the Proposed Shareholders' Mandate.
- (ii) All RRPTs shall be reported to the Audit Committee on a quarterly basis together with the quarterly financial reports.
- (iii) Audit Committee will review the existing procedures, on an annual basis and as and when required, to ensure that the RRPTs are at all times carried out on commercial terms consistent with the TAFI Group's usual business practices and policies.

7. OUTSTANDING RRPT RECEIVABLES

As at the LPD, there was no amount due and owing to the Group by any Related Party pursuant to any RRPT(s) that has exceeded the credit term.

8. STATEMENT BY THE AUDIT COMMITTEE

The Audit Committee of the Company has seen and reviewed the procedures laid down in respect of RRPTs as set out in Section 6 above and are satisfied that the said procedures are sufficient to ensure that the RRPTs will be undertaken:-

- on arm's length basis;
- under normal commercial terms consistent with the Group's business practices and policies;
- on terms not more favourable to the Related Parties than those generally available to the public; and
- not to the detriment of the minority shareholders of the Company.

In addition, the Audit Committee is of the view that the Group has put in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner, and will at its discretion, amend the guidelines and procedures which are no longer appropriate or adequate, to ensure that the RRPTs are at all times carried out on terms consistent with the Company's practices and are not to the detriment of the minority shareholders. These procedures and processes are reviewed at least once a year.

The Audit Committee of the Company, comprising the following members as at the LPD, after having considered all relevant aspects of the Proposed Shareholders' Mandate including the rationale and effects of the Proposed Shareholders' Mandate, is of the opinion that the Proposed Shareholders' Mandate are in the best interest of the TAFI Group and are fair and reasonable:-

Members of the Audit Committee

- (i) Teh Soon Hin (*Chairman/Independent Non-Executive Director*)
- (ii) Leong Boon Tik (*Member/Senior Independent Non-Executive Director*)
- (iii) Leong Sher-How (*Member/Independent Non-Executive Director*)

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9. DISCLOSURE IN ANNUAL REPORT

The Company will make the required disclosure in the Annual Report for the subsequent financial year during the Proposed Shareholders' Mandate is in force, providing amongst others, the following information:-

- (i) type of RRPT made;
- (ii) the names of the Related Parties involved in each type of RRPT, and their relationships with the Company; and
- (iii) the value of the transactions.

10. RATIONALE OF THE PROPOSED SHAREHOLDERS' MANDATE AND BENEFIT TO THE COMPANY

The RRPTs set out in Section 5 of this Circular are likely to continue to occur with some degree of frequency from time to time. By obtaining the Proposed Shareholders' Mandate, the Company will not need to convene separate meetings from time to time to seek the approval of its shareholders as and when potential RRPTs with the specific classes of Related Parties arise, thereby reducing substantial administrative time and expenses in convening such shareholder meetings. It would also benefit the Group by enabling it to realise business opportunities as and when they become available, in a timely and effective manner.

The RRPTs are intended to meet the business needs of the Group at the best possible terms. By transacting with the Related Parties, the Group would have an advantage of familiarity with the background, financial wellbeing and management of the Related Parties thus enabling more informed commercial decisions to be made. In most dealings with the Related Parties, the Group and the Related Parties have a good understanding of each other's business needs and expectations thereby providing a platform where all parties can benefit from conducting the RRPTs.

11. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate are administrative in nature and are therefore not expected to have any effect on the issued and paid-up capital, major shareholders' shareholdings and any material effect on the consolidated net assets, consolidated earnings per share and consolidated gearing of TAFI.

12. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save as disclosed in Section 5 of this Circular, none of the other Directors and/or Major Shareholders and/or persons connected to them has any interest, direct or indirect, in the Proposed Shareholders' Mandate.

Based on the Register of Substantial Shareholders of the Company as at the LPD, the direct and indirect shareholdings of the substantial shareholders, Directors of TAFI and person connected to them are as follows:

Names	As at LPD			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
<u>Substantial Shareholders</u>				
ASSB	194,584,290	51.28	-	-
Koperasi Permodalan Felda Malaysia 2 Berhad	37,942,710	10.00		

12. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM (Cont'd)

Names	As at LPD			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
<u>Interested Major Shareholder</u> ASSB	194,584,290	51.28	-	-
<u>Interested Directors</u>				
Dato' Sri Azlan	165,000	0.04	194,584,290 ⁽¹⁾	51.28
Dato' Sri Wong	4,589,760	1.21	194,584,290 ⁽¹⁾	51.28
Dato' Sri Andrew	3,821,040	1.01	194,584,290 ⁽¹⁾	51.28
Dato' Sri Ong ⁽²⁾	-	-	-	-
<u>Person Connected</u>				
Ong Qi Juan ⁽²⁾	-	-	-	-

Notes:

(1) Deemed interested by virtue of his interest in ASSB pursuant to Section 8 of the Act.

(2) Ong Qi Juan is a sister of Dato' Sri Ong

The Interested Directors, Dato' Sri Azlan, Dato' Sri Wong, Dato' Sri Andrew and Dato' Sri Ong, have and shall continue to abstain from all deliberations and voting at the Board meetings pertaining to the Proposed Shareholders' Mandate.

The Interested Directors and Interested Major Shareholder, i.e. Dato' Sri Azlan, Dato' Sri Wong, Dato' Sri Andrew, Dato' Sri Ong and ASSB as disclosed in Section 5 of this Circular have undertaken that they will abstain from voting in respect of their direct and/or indirect shareholdings in TAFI on the ordinary resolutions pertaining to the Proposed Shareholders' Mandate at the forthcoming 18th AGM. They further undertake to ensure that Persons Connected to them will abstain from voting in respect of their direct and indirect shareholdings in the Company, deliberating or approving the Proposed Shareholders' Mandate.

13. APPROVALS REQUIRED

The Proposed Shareholders' Mandate is conditional upon the approval of the shareholders of the Company being obtained at the forthcoming 18th AGM to be convened.

14. BOARD'S RECOMMENDATION

The Board, (except for Dato' Sri Azlan, Dato' Sri Wong, Dato' Sri Andrew and Dato' Sri Ong who are the Interested Directors in respect of the Proposed Shareholders' Mandate as set out in Section 5 of this Circular) having taken in consideration all aspects of the Proposed Shareholders' Mandate, are of the opinion that the Proposed Shareholders' Mandate are in the best interest of the Group. Accordingly, the Board (save for Dato' Sri Azlan, Dato' Sri Wong, Dato' Sri Andrew and Dato' Sri Ong) do recommends that the shareholders vote in favour of the resolution pertaining to the aforementioned Proposed Shareholders' Mandate to be tabled at the TAFI's 18th AGM.

15. AGM

The 18th AGM, the Notice of which is enclosed with the Annual Report, will be conducted entirely on a fully virtual basis through the online meeting platform of TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd, Malaysia on Wednesday, 18 May 2022 at 11:00 a.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing, with or without any modifications, the resolutions by way of poll to give effect to the Proposed Shareholders' Mandate.

If you are unable to participate at the 18th AGM, you may complete and return the Proxy Form contained in the Annual Report in accordance with the instructions printed thereon, to reach at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or submitted electronically through TIIH Online at <https://tiih.online> (applicable to individual shareholders only) not less than forty-eight (48) hours before the time for holding the 18th AGM or at any adjournment thereof.

The lodging of the Proxy Form will not preclude you from attending and voting in person at the 18th AGM should you subsequently wish to do so.

16. FURTHER INFORMATION

Please refer to the enclosed annexures in this Circular for further information.

Yours faithfully
For and on behalf of the Board of
TAFI INDUSTRIES BERHAD

DATO' SRI ONG CHEE KEAN
Non-Independent Non-Executive Chairman

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board of TAFI who collectively and individually accept full responsibility for the accuracy and correctness of the information contained herein and they further confirm that, after having made all reasonable enquiries, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which may have a material effect on the financial position or business of our Group and our Board is not aware and does not have any knowledge of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings which may materially affect the financial position or business of our Group.

3. MATERIAL CONTRACTS

Save the material contracts as disclosed as below, neither TAFI nor its subsidiaries have entered into any material contracts (not being contract entered into in the ordinary course of business) within the past two (2) years immediately preceding the date of this Circular: -

- (i) A sale and purchase agreement dated 25 June 2020 between T.A. Furniture Industries Sdn Bhd (a wholly owned subsidiary of TAFI) (as vendor) and Tee Chin Hock, Perng Jun Chao and Tee Ai Leen (as purchasers) for the disposal of all that piece of land held under Title No. HS(D) 2131, Lot No. PTD 4564, Mukim Kesang, District of Tangkak, Negeri Johor, Malaysia measuring approximately 0.2023 hectares together with a unit of single storey leasehold factory building with a guard house and a TNB-substation erected thereon bearing postal address of K57, Jalan Perindustrian 8, Tanjung Agas Industrial Estate, 84000 Muar, Johor, Malaysia for a consideration of RM1,480,000.00.

The sale and purchase transaction has been completed as at the LPD.

- (ii) Joint development agreement dated 5 November 2020 (as supplemented by a letter dated 19 November 2021) between TAFI Development Sdn Bhd (a wholly owned subsidiary of TAFI) and E Prompt Sdn Bhd in respect of the Habu Project to jointly develop a portion of a freehold land measuring in aggregate approximately 33 acres forming part of a parcel of land held under Geran No. Pendaftaran 2700, Lot 457, Mukim Ringlet, District of Cameron Highlands, State of Pahang measuring approximately 47 acres into a mixed development project which is proposed to comprise of, amongst others, town houses, apartments and commercial shops.

The joint development agreement has yet to be completed as at the LPD.

- (iii) A sale and purchase agreement dated 6 November 2020 between T.A. Furniture Industries Sdn Bhd (a wholly owned subsidiary of TAFI) (as vendor) and Huan Kok Siang and Ng Chiew Hoon (as purchasers) for the disposal of all that piece of the following leasehold industrial lands for a total consideration of RM1,312,500.00:-
 - (a) H.S.(D) 2266, P.T.D. 4798, Mukim Kesang, District of Muar, State of Johor, Malaysia, measuring approximately 687,947 square metres together with a factory building known as No. K 35, Jalan Tanjong Agas, Kawasan Industri Tanjong Agas, 84000 Muar, Johor, Malaysia.
 - (b) H.S.(D) 2270, P.T.D. 4799, Mukim Kesang, District of Muar, State of Johor, Malaysia, measuring approximately 687,947 square metres together with a factory building known as No. K 36, Jalan Tanjong Agas, Kawasan Industri Tanjong Agas, 84000 Kesang, Tangkak, Johor, Malaysia; and

3. MATERIAL CONTRACTS (Cont'd)

- (c) H.S.(D) 2274, P.T.D. 4800, Mukim Kesang, District of Muar, State of Johor, Malaysia, measuring approximately 687,947 square metres together with a factory building known as No. K 37, Jalan Tanjong Agas, Kawasan Industri Tanjong Agas, 84000 Muar, Johor, Malaysia.

The sale and purchase transactions have been completed as at the LPD.

- (iv) A joint venture agreement dated 22 September 2021 between Jaringan Fajar Sdn Bhd and Gerak Mahir Sdn Bhd (an indirectly wholly owned subsidiary of TAFI) in respect of the development of a land measuring approximately 61.76 acres at Bukit Pelindung, Mukim Kuala Kuantan, Daerah Kuantan, Negeri Pahang, Malaysia into a mix development project at Gerak Mahir Sdn Bhd's own costs and expenses.

The joint venture agreement has yet to be completed as at the LPD.

- (v) A joint venture agreement dated 22 September 2021 between Kotamas Development (M) Sdn Bhd and Gerak Mahir Sdn Bhd (an indirectly wholly owned subsidiary of TAFI) in respect of the development of a land measuring approximately 32.5 acres at Batu 14, Jalan Kuantan-Gambang, Mukim Kuala Kuantan, Daerah Kuantan, Negeri Pahang, Malaysia into a mix development project at Gerak Mahir Sdn Bhd's own costs and expenses.

The joint venture agreement has yet to be completed as at the LPD.

- (vi) A joint venture agreement dated 22 September 2021 between Pembinaan Alamku Sdn Bhd and Gerak Mahir Sdn Bhd (an indirectly wholly owned subsidiary of TAFI) in respect of the development of a land measuring approximately 118 acres at Kg. Baging, Mukim Sungai Karang, Daerah Kuantan, Negeri Pahang, Malaysia into a mix development project at Gerak Mahir Sdn Bhd's own costs and expenses.

The joint venture agreement has yet to be completed as at the LPD.

- (vii) A joint venture agreement dated 22 September 2021 between Pembinaan Alamku Sdn Bhd and Gerak Mahir Sdn Bhd (an indirectly wholly owned subsidiary of TAFI) in respect of the development of a land measuring approximately 125 acres at Chendor, Mukim Sungai Karang, Daerah Kuantan, Negeri Pahang, Malaysia into a mix development project at Gerak Mahir Sdn Bhd's own costs and expenses.

The joint venture agreement has yet to be completed as at the LPD.

- (viii) A joint venture agreement dated 22 September 2021 between Pembinaan I-ONE Sdn Bhd and Gerak Mahir Sdn Bhd (an indirectly wholly owned subsidiary of TAFI) in respect of the development of a land measuring approximately 80.7041 acres at Mukim Penor, Daerah Kuantan, Negeri Pahang, Malaysia into a mix development project at Gerak Mahir's own costs and expenses.

The joint venture agreement has yet to be completed as at the LPD.

- (ix) A sale and purchase agreement dated 10 March 2022 between T.A. Furniture Industries Sdn Bhd (a wholly owned subsidiary of TAFI) (as vendor) and Duthai Trading Sdn Bhd (as purchaser) for the disposal of all that piece of land held under GM 190, Lot 288, Mukim Sungai Raya, District of Muar, State of Johor, Malaysia measuring approximately 0.9054 hectares together with an industrial premises comprising a single storey detached factory and a guard house erected thereon bearing postal address of Lot 288, Batu 6 ¼, Mukim Sungai Raya, Jalan Bukit Pasir, Bukit Pasir 84300 Muar, Johor, Malaysia for a consideration of RM9,000,000.00.

The sale and purchase transaction have yet to be completed as at the LPD.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at TAFI at PLO 3, Kawasan Perindustrian Bukit Pasar, Mukim Sungai Raya, 84300 Bukit Pasir, Muar, Johor, Malaysia during business hours from 9:00 a.m. to 5:00 p.m. from Mondays to Fridays (excluding public holidays) for the period commencing from the date of this Circular up to and including the date of our forthcoming 18th AGM:-

- (i) the Constitution of the Company;
- (ii) the audited consolidated financial statements of our Group for the past two (2) financial year ended 31 December 2020 and year ended 31 December 2021; and
- (iii) the material contracts referred to in Section 3 of this Annexure I.

ORDINARY RESOLUTION NO. 8

PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

“THAT, subject always to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), approval be and is hereby given to the Company and its subsidiaries (collectively the “Group”) to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 5(a) of the Circular to Shareholders dated 18 April 2022, provided that such transactions and/or arrangements which are necessary for the Group’s day-to-day operations are undertaken in the ordinary course of business, at arm’s length basis, on normal commercial terms and transaction prices which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders of the Company (“Proposed Renewal of Shareholders’ Mandate”):-

THAT the Proposed Renewal of Shareholders’ Mandate shall only continue to be in full force until:-

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time it will lapse, unless by a resolution passed at said AGM, such authority is renewed; or
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“Act”) (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposed Renewal of Shareholders’ Mandate.”

ORDINARY RESOLUTION NO. 9

PROPOSED NEW SHAREHOLDERS’ MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

“THAT, subject always to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), approval be and is hereby given to the Company and its subsidiaries (collectively the “Group”) to enter into and give effect to the additional recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 5(b) of the Circular to Shareholders dated 18 April 2022, provided that such transactions and/or arrangements which are necessary for the Group’s day-to-day operations are undertaken in the ordinary course of business, at arm’s length basis, on normal commercial terms and transaction prices which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders of the Company (“**Proposed New Shareholders’ Mandate**”).

THAT the Proposed New Shareholders’ Mandate shall only continue to be in full force until:-

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time it will lapse, unless by a resolution passed at said AGM, such authority is renewed; or
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“Act”) (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposed New Shareholders’ Mandate.”