TAGHILL HOLDINGS BERHAD

Registration No.: 202001043548 (1399869-A)

Interim Financial Report
For The Quarter Ended
30 November 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 NOVEMBER 2025[1]

		CURRENT QUARTER 3-MONTHS ENDED		CUMULATIVE QUARTER 6-MONTHS ENDED	
		Unaudited	**Unaudited**	**Unaudited**	**Unaudited**
		30.11.2025	**30.11.2024**	**30.11.2025**	**30.11.2024**
	Notes	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	A9	211,707	-	421,885	-
Cost of sales		(197,741)	-	(397,307)	-
Gross profit ("GP")		**13,966**	**-**	**24,578**	**-**
Other income		2,363	-	4,382	-
Administrative expenses		(8,617)	-	(16,671)	-
Other expenses		(3,779)		(3,779)	-
Operating profit		**3,933**	**-**	**8,510**	**-**
Finance income		5	-	40	-
Finance costs		(1,274)	-	(3,351)	-
Share of results of an associate, net of tax		86	-	88	-
Profit before tax ("PBT")	B11	**2,750**	**-**	**5,287**	**-**
Income tax expense	B6	(1,321)	-	(2,163)	-
Profit for the financial period, representing total comprehensive income for the financial period ("PAT")		**1,429**	**-**	**3,124**	**-**
Profit and total comprehensive income attributable to:					
• Owners of the Company		1,417	-	3,011	-
• Non-controlling interests		12	-	113	-
		1,429	-	3,124	-
Earnings per share attributable to owners of the company					
• Basic (sen)[2]	B10	0.09	-	0.19	-
• Diluted (sen)[2]	B10	0.09	-	0.19	-

Notes:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the audited financial statements for 17-months financial period ended 31 May 2025 and the accompanying explanatory notes attached to this interim financial report. The financial year end of the Group (as defined in Note A1) has been changed from 31 December 2024 to 31 May 2025. There is no comparative financial information disclosed for the current quarter and for the preceding year corresponding period.

(2) Basic earnings per share are calculated based on the Company's weighted average number of ordinary shares in issue as at 30 November 2025. The diluted earnings per share is computed based on PAT attributable to the owners of the Company divided by the weighted average number of ordinary shares plus the number of ordinary shares that would be issued on exercise of all warrants as at 30 November 2025. Diluted loss per ordinary share as at 30 November 2025 is identical with basic loss per ordinary share as the effect of potential ordinary shares is anti-dilutive.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 NOVEMBER 2025[1]

	Notes	Unaudited As at 30.11.2025 RM'000	Audited As at 31.05.2025 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		31,453	38,247
Right-of-use assets		5,875	8,651
Investment properties		5,808	5,871
Goodwill		45,142	45,142
Other intangible asset		6,263	12,116
Investment in an associate		-	76
Total non-current assets		**94,541**	**110,103**
Current assets			
Property development cost		353	-
Current tax assets		1,821	2,530
Trade and other receivables		404,733	310,726
Contract assets		159,181	197,018
Cash and cash equivalents		81,285	71,451
Total current assets		**647,373**	**581,725**
TOTAL ASSETS		**741,914**	**691,828**
EQUITY AND LIABILITIES			
Total equity attributable to owners of the Company			
Share capital		192,656	192,656
Other reserves		(30,120)	(30,120)
Accumulated losses		(57,451)	(60,462)
		105,085	102,074
Non-controlling interest		758	645
TOTAL EQUITY		**105,843**	**102,719**
Non-current liabilities			
Loans and borrowings	B7	16,462	15,459
Deferred tax liabilities		4,754	4,939
Total non-current liabilities		**21,216**	**20,398**
Current liabilities			
Loans and borrowings	B7	221,165	197,809
Trade and other payables		379,477	346,255
Provisions		8,600	8,600
Contract liabilities		5,598	15,983
Current tax liabilities		15	64
Total current liabilities		**614,855**	**568,711**
TOTAL LIABILITIES		**636,071**	**589,109**
TOTAL EQUITY AND LIABILITIES		**741,914**	**691,828**
Number of shares in issue ('000)		1,556,158	1,556,158
NET ASSETS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY (RM)[2]		0.07	0.07

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 NOVEMBER 2025[1] (CONT'D)

Notes:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statements for 17-months financial period ended 31 May 2025 and the accompanying explanatory notes attached to this interim financial report.

(2) Net assets per share attributable to the owners of the Company as at 30 November 2025 and as at 31 May 2025 are calculated based on the share capital of 1,556,158,390 units of ordinary shares.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 NOVEMBER 2025(1)

	Share capital	Warrant reserve	Merger reserve	Accumulated losses	Total attributable to owners of the Company	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2024 (Audited)	**84,035**	**-**	**(35,723)**	**(4,823)**	**43,489**	-	**43,489**
Total comprehensive loss for the financial period	-	-	-	(55,641)	**(55,641)**	121	**(55,520)**
Transaction with owners:							
Share issued for acquisition of subsidiaries	111,380	5,603	-	-	**116,983**	-	**116,983**
Transaction cost of share issued	(2,759)	-	-	-	**(2,759)**	-	**(2,759)**
Non-controlling interests arising from acquisition of subsidiaries	-	-	-	2	**2**	524	**526**
As at 31 May 2025 / 1 June 2025 (Audited)	**192,656**	**5,603**	**(35,723)**	**(60,462)**	**102,074**	**645**	**102,719**
Total comprehensive income for the financial period	-	-	-	3,011	**3,011**	113	**3,124**
As at 30 November 2025 (Unaudited)	**192,656**	**5,603**	**(35,723)**	**(57,451)**	**105,085**	**758**	**105,843**

Note:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for 17-months financial period ended 31 May 2025 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 NOVEMBER 2025[1]

	Unaudited 30.11.2025 RM'000	Unaudited 30.11.2024 RM'000
Cash flows from operating activities		
Profit before tax	**5,287**	**-**
Adjustments for:		
Depreciation of property, plant and equipment	7,075	-
Gain on disposal of property, plant and equipment	(1,635)	-
Impairment loss on property, plant and equipment	1,091	-
Depreciation of right-of-use assets	521	-
Impairment loss on right-of-use assets	2,539	-
Depreciation of investment properties	63	-
Amortisation of intangible asset	5,853	-
Share of result of an associate, net of tax	(88)	-
Loss on disposal of investment in an associate	150	-
Finance income	(40)	-
Finance costs	3,351	-
Operating profit before changes in working capital changes	24,167	-
Changes in working capital:		
Property development cost	(353)	-
Trade and other receivables	(93,993)	-
Contract assets	37,837	-
Trade and other payables	33,222	-
Contract liabilities	(10,385)	-
Cash used in operations	**(9,505)**	**-**
Income tax paid	(1,939)	-
Income tax refund	250	-
Interest paid	(3,351)	-
Interest received	40	-
Net cash used in operating activities	**(14,505)**	**-**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(13,128)	-
Proceeds from disposal of property, plant and equipment	13,391	-
Net cash from investing activities	**263**	**-**
Cash flows from financing activities		
Repayment of term loans	(3,238)	-
Payment of lease liabilities	(506)	-
Repayment of hire purchase payables	(3,320)	-
Drawdown of bankers' acceptance	50,283	-
Repayment of bankers' acceptance	(42,576)	-
Drawdown of contract financing	139,407	-
Repayment of contract financing	(114,975)	-
Change in pledged deposits	(1,538)	-
Net cash from financing activities	**23,537**	**-**
Net increase in cash and cash equivalents	**9,295**	**-**
Cash and cash equivalents at the beginning of the financial period	**(59,774)**	**-**
Cash and cash equivalents at the end of the financial period	**(50,479)**	**-**

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 NOVEMBER 2025[(1)] (CONT'D)

	Unaudited 30.11.2025 RM'000	Unaudited 30.11.2024 RM'000
Cash and cash equivalents at the end of the financial period comprises:		
Short-term deposits	50,693	-
Less: Pledged deposits	(49,276)	-
	1,417	-
Cash and bank balances	30,592	-
	32,009	-
Less: Bank overdrafts	(82,488)	-
Cash and cash equivalents in the consolidated statement of cash flows	**(50,479)**	**-**

Note:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the audited financial statements for 17-months financial period ended 31 May 2025 and the accompanying explanatory notes attached to this interim financial report. The financial year end of the Group (as defined in Note A1) has been changed from 31 December 2024 to 31 May 2025. There is no comparative financial information disclosed for the preceding year corresponding period.

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NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial report of Taghill Holdings Berhad ("**Taghill**") and its subsidiaries (the "**Group**") are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("**MFRS**") 134: Interim Financial Reporting and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**").

This interim financial report should be read in conjunction with the audited financial statements for 17-months financial period ended 31 May 2025 and the accompanying explanatory notes attached to this interim financial report.

A2. Material accounting policies

The material accounting policies and presentations adopted by the Group in this interim financial report are consistent with those adopted in the preparation of the audited financial statements for the 17-months financial period ended 31 May 2025. The Group has adopted the following applicable amendment to MFRS for the current financial period:

Amendment to MFRS	Effective Date
Amendments to MFRS 121 The Effect of Changes in Foreign Exchange Rates	1 January 2025

The adoption of the above amendment to MFRS did not have any significant effect on the Group's interim financial report and did not result in significant changes to the Group's existing accounting policies.

A3. Auditors' report on preceding annual financial statements

There were no qualification on the audited financial statements of the Group for the 17-months financial period ended 31 May 2025.

A4. Seasonal or cyclical factors

The Group's business operations have not been materially affected by any seasonal or cyclical factors.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial year-to-date.

A6. Material changes in estimates

There were no material changes in the estimates for the current financial quarter and financial year-to-date.

A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)

A7. Debt and equity securities

There were no issuances, repurchases or repayments of debts and equity securities in the current financial quarter and financial year-to-date.

A8. Dividend

There was no dividend declared or paid for the current financial quarter and financial year-to-date.

A9. Segmental information

The Group prepared the following segmental information based on the internal reports of the Group's strategic business units which are regularly reviewed by the Group Managing Director for the purpose of making decision about resource allocation and performance assessment. The 2 reportable operating segments are as follows:-

Segments	**Services**
Construction and civil engineering	Building construction of residential and non-residential buildings
Construction consultancy services	Provision of construction technology consultancy and solutions

	CURRENT QUARTER 3-MONTHS ENDED		**CUMULATIVE QUARTER 6-MONTHS ENDED**	
	30.11.2025 RM'000	**30.11.2024 RM'000**	**30.11.2025 RM'000**	**30.11.2024 RM'000**
Revenue:				
Revenue from external customers:				
Construction and civil engineering	210,201	-	419,164	-
Construction consultancy services	1,506	-	2,721	-
	211,707	-	421,885	-
Inter-segment revenue:				
Construction and civil engineering	-	-	-	-
Construction consultancy services	77	-	138	-
Adjustment and eliminations	(77)	-	(138)	-
	-	-	-	-
Total:				
Construction and civil engineering	210,201	-	419,164	-
Construction consultancy services	1,583	-	2,859	-
Adjustment and eliminations	(77)	-	(138)	-
	211,707	**-**	**421,885**	**-**

A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)

A9. Segmental information (cont'd)

	CURRENT QUARTER 3-MONTHS ENDED		CUMULATIVE QUARTER 6-MONTHS ENDED	
	30.11.2025	**30.11.2024**	**30.11.2025**	**30.11.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Segment profit:				
Construction and civil engineering	13,534	-	23,637	-
Construction consultancy services	432	-	941	-
	13,966	-	24,578	-
Other income	2,363	-	4,382	-
Other expenses	(3,779)	-	(3,779)	-
Unallocated expenses	(8,617)	-	(16,671)	-
Finance income	5	-	40	-
Finance cost	(1,274)	-	(3,351)	-
Share of results of an associate, net of tax	86	-	88	-
PBT	2,750	-	5,287	-
Income tax expense	(1,321)	-	(2,163)	-
PAT	**1,429**	**-**	**3,124**	**-**

A10. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment during the current financial quarter and financial year-to-date.

A11. Material events subsequent to the end of the current financial quarter

There was no material events subsequent to the end of the current quarter that have been reflected in this interim financial report.

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A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)

A12. Changes in the composition of the Group

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

A13. Contingent assets or contingent liabilities

There were no contingent assets or contingent liabilities as at the date of this interim report. Please refer to Note B8 on disclosure of a claim made by the Group of which the Board believes that there will not be any material adverse financial impact to the Group.

A14. Capital commitments

There were no material capital commitments incurred or known to be incurred as at the date of this interim report.

A15. Significant related party transactions

Transactions with companies in which certain directors are deemed to have substantial financial interests:

	CURRENT QUARTER 3-MONTHS ENDED		**CUMULATIVE QUARTER 6-MONTHS ENDED**	
	30.11.2025 RM'000	**30.11.2024 RM'000**	**30.11.2025 RM'000**	**30.11.2024 RM'000**
Interest expense charge to:				
Subsidiaries	138	-	305	-

All related party transactions had been entered into in the normal course of business and on commercial terms.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS

B1. Review of Financial Performance

Results for current financial quarter and financial year-to-date

The Group recorded revenue of RM211.71 million and a GP of RM13.97 million for the second quarter ended 30 November 2025, mainly due to progressive recognition of revenue from its on-going projects. During the quarter under review, the Group recognised amortisation of intangible assets amounting to RM2.93 million, primarily relating to the order book value arising from the acquisition of TPSB, as well as impairment losses on property, plant and equipment ("**PPE**") amounting to RM1.09 million and impairment losses on right-of-use assets amounting to RM2.54 million, attributable by Siab (M) Sdn. Bhd. and Siab Construction Sdn. Bhd., respectively, following a reassessment of the recoverable values of certain assets. After accounting for other income, administrative expenses, amortisation of intangible assets, impairment losses, finance costs and other expenses, the Group recorded a PBT of RM2.75 million and a PAT of RM1.43 million for the quarter under review.

For the financial year-to-date, the Group reported revenue of RM421.89 million and a GP of RM24.58 million. Revenue continued to be primarily derived from the Group's construction and civil engineering segment, contributing 99.29% and approximately 99.35% of the total revenue for the second quarter ended 30 November 2025 and financial year-to-date ended 30 November 2025, respectively. All of the Group's revenue is derived from the Malaysian market. The improved performance compared to previous periods was mainly due to the resumption of full-scale construction activities, enhanced project cost control, and the progressive recognition of revenue from several high-value contracts secured through Taghill Projects Sdn. Bhd ("**TPSB**"). The Group achieved a PBT of RM5.29 million and a PAT of RM3.12 million for the financial year-to-date mainly due to the GP of RM24.58 million, after accounting for other income, administrative expenses, amortisation of intangible assets, impairment losses on PPE and right-of-use assets, finance costs and other expenses. The amortisation of intangible assets amounting to RM5.85 million mainly related to order book value from acquisition of TPSB.

Revenue for the current quarter remained relatively stable compared to the preceding quarter, primarily attributable to the continued progress of ongoing building construction projects. These projects collectively contributed approximately RM205.84 million to the Group's revenue for the quarter under review, comprising the following developments:

i) Alaia @ Titiwangsa, Kuala Lumpur;
ii) Amaya Residence @ Damansara Avenue, Kuala Lumpur;
iii) D'Velada @ Bukit Jalil, Kuala Lumpur;
iv) M Hill Hotel @ Ipoh, Perak;
v) Noordinz Suites @ George Town, Penang;
vi) Sea Crestz @ Kuantan, Pahang;
vii) Skyline KL @ Jalan San Peng, Kuala Lumpur;
viii) The Cove @ Melaka;
ix) The Fiddlewoodz (Package 3) @ KL Metropolis, Kuala Lumpur;
x) The Stallionz (Package 2) @ Ipoh White Times Square, Ipoh, Perak;
xi) Mahsuri Food Processing Factory @ Seremban, Negeri Sembilan; and
xii) Pantai Sentral Park @ Kuala Lumpur.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B1. Review of Financial Performance (continued)

The Group continues to focus on strengthening project management and procurement practices and maintaining prudent cost control measures. Continued contributions from TPSB are expected to support operational performance while navigating ongoing industry challenges.

B2. Comparison with the immediate preceding quarter's results

	Individual Quarter	
	30.11.2025	**31.08.2025**
	RM'000	**RM'000**
Revenue	211,707	210,178
GP	13,966	10,612
PBT	2,750	2,537
PAT	1,429	1,695

For the financial quarter ended 30 November 2025, the Group recorded revenue of RM211.71 million, representing a marginal increase of RM1.53 million (or 0.73%) compared to RM210.18 million recorded in the immediate preceding quarter ended 31 August 2025. The stable revenue performance reflects sustained construction activities and steady work progress across ongoing projects, with no significant commencement or completion of major projects during the quarter under review.

GP increased by RM3.35 million (or 31.61%) to RM13.97 million in the current quarter from RM10.61 million in the preceding quarter. The improvement in GP was mainly attributable to better project cost control, improved site productivity, and more efficient utilisation of resources, particularly in relation to projects undertaken by TPSB.

Consequently, the Group recorded a PBT of RM2.75 million for the quarter ended 30 November 2025, compared to RM2.54 million in the immediate preceding quarter, an increase of RM0.21 million (or 8.40%). However, PAT decreased by RM0.27 million (or 15.69%) to RM1.43 million, from RM1.70 million in the immediate preceding quarter, mainly due to higher effective tax expenses incurred during the current quarter.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B3. Prospects and outlook

According to the Department of Statistics Malaysia, the value of work done in the Construction sector continued to expand in the third quarter of 2025, registering a growth of 10.6% (Q2 2025: 12.9%). Growth was mainly driven by the Residential Buildings and Special Trade activities sub-sectors, which recorded increases of 11.6% and 15.3%, respectively, supported by the ongoing execution of affordable housing and private high-rise projects. The non-residential buildings segment maintained moderate growth of 10.0%, while the civil engineering sub-sector continues to expand by 8.9%, following progress in infrastructure projects including utility works as well as road and rail developments.

(Source: Quarterly Construction Statistics, Third Quarter 2025, Department of Statistics Malaysia)

In line with the Economic Outlook 2025/2026, the construction sector is expected to remain a key driver of domestic investment through 2026, anchored by both public infrastructure spending and sustained private sector activity. The residential sub-sector is projected to remain resilient due to the Government's commitment to affordable housing under the Ekonomi MADANI framework and continued collaboration with private sector developers. Meanwhile, renewed momentum in infrastructure spending and the revival of delayed projects are anticipated to support the civil engineering segment.

Despite these positive indicators, the construction industry continues to face margin pressures arising from the increase in the national minimum wage to RM1,700 effective 1 February 2025, the removal of diesel subsidies, and the implementation of the 6% SST on construction services effective 1 July 2025. These factors are expected to increase operating and logistics costs, particularly for material transportation and sub-contractor charges.

As at 30 November 2025, the Group's order book stood at RM2.45 billion, providing strong revenue visibility for the next 18 to 24 months. The Group continues to focus on effective cost control, enhanced project management, and improved procurement practices to mitigate rising cost pressures.

On 8 April 2025, the Company announced its Proposed Joint Venture with Yong Tai Berhad for the development of The Dawn @ Impression City, Melaka, together with the proposed diversification into property development ("**Proposed Diversification**"). These strategic initiatives are expected to contribute new revenue streams and strengthen the Group's market position in Malaysia's growing construction and real estate sectors.

Given the prevailing macroeconomic uncertainties, the Board will continue to focus on strengthening project management and procurement practices and maintaining prudent cost control measures as well as maintain prudent cash flow management and a disciplined approach to project selection while navigating ongoing industry challenges. Nevertheless, the Board remains confident that the Group's long-term prospects will be underpinned by the steady growth of the Malaysian construction and property markets.

B4. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee during the current financial quarter under review.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B5 Status of corporate proposals

Other than those stated below, there were no corporate proposals announced but not completed as at the date of this interim report.

Proposed Joint Venture and Proposed Diversification

Taghill Land Sdn. Bhd. ("**Taghill Land**"), a wholly owned subsidiary of the Company had on 8 April 2025, entered into a joint venture agreement ("**JVA**") with YTB Impression Sdn Bhd ("**YTBI**"), a wholly owned subsidiary of Yong Tai Berhad for the proposed joint venture in which YTBI grants Taghill Land the exclusive rights to undertake and carry out the development, construction, and completion of Phase 2A and Phase 2B comprising 2 blocks of serviced suites with a total of 648 units together with facilities floor and 330 car park bays within level 4 and level 5 identified as 'The Dawn @ Impression City Melaka' on part of a parcel of leasehold land bearing the master title No. PN 63119, Lot 15001, located at Kawasan Bandar XLIV, District of Melaka Tengah, State of Melaka, measuring approximately 2.02 hectares. ("**Proposed Joint Venture**").

Further to the above, Taghill also proposes to undertake the Proposed Diversification. Further details of the Proposals are set out in the announcement dated 8 April 2025.

(The Proposed Joint Venture and Proposed Diversification are collectively referred to as the "**Proposals**")

At the Company's extraordinary general meeting convened on 29 August 2025, the Company had obtained the approval of its shareholders for the Proposals.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B6. Income tax expenses

	CURRENT QUARTER 3-MONTHS ENDED		CUMULATIVE QUARTER 6-MONTHS ENDED	
	30.11.2025 RM'000	30.11.2024 RM'000	30.11.2025 RM'000	30.11.2024 RM'000
Current tax expense	**1,321**	-	**2,870**	-
Deferred tax credit	-	-	(707)	-
Total income tax expense [2]	**1,321**	-	**2,163**	-
Effective tax rate (%)[1]	48.04	N/A	40.91	N/A
Statutory tax rate (%)	24.00	24.00	24.00	24.00

Notes:

(1) The Group's effective tax rate for the previous quarter and corresponding financial year-to-date 30 November 2024 were not applicable as no comparative figures are available due to change in the financial reporting date from 31 December to 31 May.

The Group's effective tax expense for the second quarter ended 30 November 2025 and financial year-to-date ended 30 November 2025 is higher than the statutory corporate tax rate, mainly due to timing differences in capital allowances, and deferred tax adjustments.

(2) Income tax expense is recognised based on management's best estimate.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B7. Loans and borrowings

The Group's loans and borrowings were as follows:

	Unaudited As at 30.11.2025 RM'000	Audited As at 31.05.2025 RM'000
Non-current:		
Term loans	9,936	11,310
Lease liabilities	207	178
Hire purchase payables	6,319	3,971
	16,462	15,459
Current:		
Term loans	16,348	18,212
Lease liabilities	547	800
Hire purchase payables	220	5,888
Bankers' acceptance	12,583	4,876
Contract financing	101,263	69,635
Invoice financing	7,716	14,910
Recourse factoring	-	2
Bank overdrafts	82,488	83,486
	221,165	197,809
Total loans and borrowings	**237,627**	**213,268**

All the Group's borrowings are secured and denominated in Ringgit Malaysia.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B8. Material Litigations

i) Adjudication Proceedings under the Construction Industry Payment and Adjudication Act 2012 ("CIPAA")

The claim was made by the Company's wholly-owned subsidiary, TPSB, which had on 13 March 2025 served a payment claim pursuant to Sections 9, 10 and 11 of the CIPAA to Dreamlike Development Sdn. Bhd. ("**DDSB**") pursuant to a Letter of Award referenced as CCC/AID.1300DLSB/IP19 dated 27 December 2019. Under this agreement, DDSB appointed TPSB as the main contractor for proposed development of construction and completion of main building works and infrastructure works for the proposed construction of a 22-storey service apartment, on Lot PT 269122, Bandar Ipoh, Daerah Kinta, Perak Darul Ridzuan, for an original contract sum of RM48.40 million.

The claim relates to a total outstanding sum amounting to RM4.91million which remains unpaid after the completion and handover of the said works via the Certificate of Practical Completion (Ref: ALA02/HORIZON/CPC) dated 31 March 2023 issued by the Architect to DDSB.

On 9 May 2025, TPSB has proceeded to register the Adjudication with the Asian International Arbitration Centre ("**AIAC**") and requested for the appointment of the Adjudicator by issuing:

a) Notice to the Director of the AIAC to register the adjudication (Form 3A) and
b) Request to the Director of AIAC to appoint an Adjudicator (Form 5).

On 10 June 2025, TPSB issued and served an Adjudication Claim under Section 9 of the CIPAA. The claim, amounting to RM4.73 million, relates to certified works, unpaid interim payments, and other contractual entitlements. The matter has been referred to an appointed Adjudicator, who is expected to render a decision within 45 working days from the close of pleadings.

Subsequently, on 11 July 2025, TPSB served the Adjudication Reply, supporting documents, and legal authorities in accordance with Section 11 of CIPAA.

On 17 September 2025, TPSB has received an adjudication decision in its favour, where DDSB was ordered to pay to TPSB for the following within 14 days from the date of the decision:

a) RM3,081,728.86 being the balance amount payable for work done under the construction contract; and
b) RM88,829.82 being the costs for adjudication proceedings.

Following the decision, on 6 October 2025, TPSB served a statutory demand notice pursuant to Sections 465(1)(e) and 466(1)(a) of the Companies Act 2016 on DDSB, seeking settlement of the adjudicated sum together with relevant costs.

On 10 November 2025, TPSB had filed a Winding Up Petition against DDSB. The petitioner prays that DDSB be wound up by the High Court of Malaya pursuant to Section 465(1)(e) of the Companies Act 2016, on the grounds that DDSB has purportedly failed to pay the adjudicated sum and the relevant costs, amounting to RM3,170,558.68, as determined by the Adjudication Decision dated 17 September 2025.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B8. Material Litigations (continued)

i) Adjudication Proceedings under the Construction Industry Payment and Adjudication Act 2012 ("CIPAA") (continued)

The Board expects that this adjudication outcome will not have any material adverse impact on the Group's earnings, cash flows or operations for the financial year ending 31 May 2026.

The Company will make further announcements in accordance with the Listing Requirements if there are material developments in this matter.

ii) Judicial Management of Subsidiaries

On 10 November 2025, the Company announced that its wholly-owned subsidiaries, Siab (M) Sdn. Bhd. ("**SMSB**") and Siab Construction Sdn. Bhd. ("**SCSB**") (collectively, the "**Subsidiaries**"), had filed applications for Judicial Management Orders ("**JMOs**") with the High Court of Malaya ("**Court**") pursuant to Sections 404 to 406 of the Companies Act 2016, as part of a restructuring initiative to address financial challenges and preserve business value.

Upon filing the judicial management applications, a statutory moratorium came into effect, during which no winding-up proceedings or enforcement actions may be commenced or continued against the Subsidiaries without leave of the Court.

Subsequent to the initial announcement:

- In respect of SMSB, the Court directed the parties to complete the filing of affidavits and submissions, and has fixed the hearing together with case management on 30 March 2026 at 9.00 a.m. The statutory moratorium under Section 410(c) of the Companies Act 2016 continues to apply.
- In respect of SCSB, a case management session was held on 13 January 2026, during which the Court directed the parties to complete the filing of affidavits and submissions related to an unsecured creditor's application to intervene the judicial management application. The next case management session for both the intervention application and the judicial management application is fixed for 6 April 2026, which is to be conducted via e-Review.

As at the date of this interim financial report, the judicial management applications for both SMSB and SCSB remain pending, and the statutory moratorium continues to be in effect until the applications are disposed of by the Court.

The Board, having considered the advice of legal counsel and the contribution of the Subsidiaries to the Group, is of the view that the judicial management of the Subsidiaries is not expected to have any material adverse impact on the Group's financial position, earnings, or cash flows for the financial year ending 31 May 2026. The Group's core construction operations continue to remain unaffected.

The Company will make further announcements in accordance with the Listing Requirements if there are material developments in this matter.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B9. Dividend

There was no dividend declared or paid for the current quarter and financial year-to-date.

B10. Earnings per share

The basic and diluted earnings per share for the current financial quarter and financial year-to-date are computed as follows:

	CURRENT QUARTER 3-MONTHS ENDED		CUMULATIVE QUARTER 6-MONTHS ENDED	
	30.11.2025 RM'000	30.11.2024 RM'000	30.11.2025 RM'000	30.11.2024 RM'000
Profit attributable to Owners of the Company (RM'000)	1,417	-	3,011	-
Weighted average number of of ordinary shares (unit) ('000)	1,556,158	-	1,556,158	-
Basic earnings per share (sen)(1)	0.09	-	0.19	-
Weighted average number of diluted ordinary shares (unit) ('000)	1,556,158	-	1,556,158	-
Diluted earnings per share (sen)(1)	0.09	-	0.19	-

Note:

(1) The basic earnings per share is computed based on PAT attributable to the owners of the Company and divided by the weighted average number of ordinary shares in issued as at 30 November 2025. The diluted earnings per share is computed based on PAT attributable to the owners of the Company and divided by the weighted average number of ordinary shares without taking into consideration the number of ordinary shares that would be issued on exercise of all warrants as at 30 November 2025, as these warrants were out of the money, hence their potential conversion is anti-dilutive.

The financial year end of the Group has been changed from 31 December to 31 May. As such, there is no comparative financial information available for the preceding year corresponding period.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B11. Disclosure on selected expense/income items as required by the Listing Requirements

Profit before tax is arrived after charging/(crediting):

	CURRENT QUARTER 3-MONTHS ENDED		CUMULATIVE QUARTER 6-MONTHS ENDED	
	30.11.2025 RM'000	30.11.2024 RM'000	30.11.2025 RM'000	30.11.2024 RM'000
Depreciation of property, plant and equipment	3,378	-	7,075	-
Gain on disposal of property, plant and equipment	(384)	-	(1,635)	-
Impairment loss on property, plant and equipment	1,091	-	1,091	-
Depreciation of right-of-use assets	255	-	521	-
Impairment loss on right-of-use assets	2,539	-	2,539	-
Depreciation of investment properties	30	-	63	-
Amortisation of intangible asset	2,926	-	5,853	-
Share of results of an associate, net fo tax	(86)	-	(88)	-
Loss on disposal of investment in an associate	150	-	150	-
Interest expense	1,274	-	3,351	-
Interest income	(5)	-	(40)	-

Other disclosure items pursuant to Appendix 9B, Note 16 of the Listing Requirements are not applicable.

B12. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors of the Company in accordance with a resolution passed by the Board of Directors on 28 January 2026.

BY ORDER OF THE BOARD
TAGHILL HOLDINGS BERHAD
28 JANUARY 2026