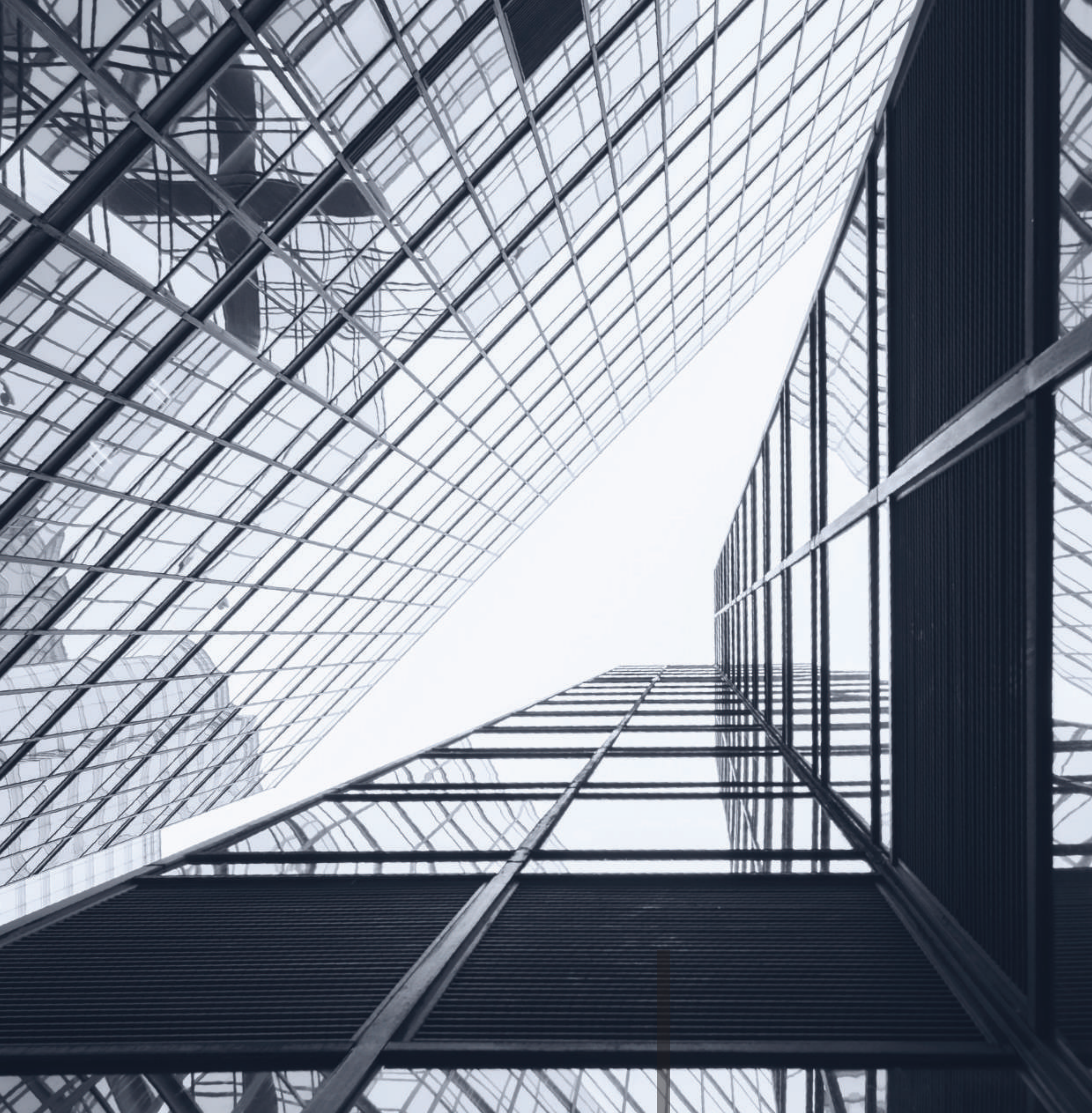


TAGHILL

TAGHILL HOLDINGS BERHAD

ANNUAL REPORT 2025

CONTENTS

CORPORATE PROFILE

Taghill Holdings Berhad ("**Taghill**" or the "**Company**") and its subsidiaries (collectively known as "**Taghill Group**" or the "**Group**") are principally involved in the construction of residential and non-residential buildings. Complementing its core business, the Group also offers building information modelling ("**BIM**") as well as digitalisation solutions and services. In 2025, Taghill Group undertook a strategic initiative with the Proposed Diversification of its existing business to include the property development business, marking a significant expansion of the Group's core capabilities and long-term growth potential.

Taghill Group's legacy spans over 40 years, tracing back to the establishment of Siab (M) Sdn. Bhd. ("**Siab (M)**") in 1984. Over the decades, the Group has built a strong project track record, cumulatively exceeding RM2 billion in value.

Taghill was initially incorporated as a private limited company, Siab Holdings Sdn. Bhd. ("**Siab Holdings**") in 2020, before being converted to a public limited company on 24 June 2021, and changing its name to Siab Holdings Berhad ("**Siab**") to facilitate the initial public offering ("**IPO**") exercise. On 28 February 2022, Siab made its debut on the ACE Market of Bursa Malaysia Securities Berhad. In 2024, the Group undertook a strategic consolidation exercise and successfully integrated Taghill Projects Sdn. Bhd. ("**Taghill Projects**") and Bimtech Solutions Sdn. Bhd. Reflecting this consolidation, the Group rebranded as Taghill, symbolising a new chapter of integrated strength and new ambition.

Taghill Projects is recognised for delivering landmark developments such as Expressionz Professional Suites and Ceylonz Suite - both located in the heart of Kuala Lumpur. Notably, Expressionz Professional Suites, with its striking façade along Jalan Tun Razak, was named a Commendation Winner in the PAM Awards 2019 under the Multiple Residential (High-Rise) category.

The Group operates under an Integrated Management System ("**IMS**") that incorporates quality, environmental, and safety standards, reinforcing its commitment to operational excellence. This system ensures operational consistency and a disciplined approach across all project sites.

- ISO 9001: 2015 (Quality Management System)
- ISO 45001:2018 (Occupational Health and Safety Management Systems)
- ISO 14001:2015 (Environmental Management Systems)

Guided by a values-driven culture and a forward-looking ethos, Taghill Group continues to build on its 40-year legacy as a trusted and results-oriented construction partner. Its emphasis on integrity, quality, and timely execution remains the foundation of Taghill Group's reputation in Malaysia's construction landscape.

VISION, MISSION & **CORE VALUES**

OUR **VISION**

We Care as a Builder of Integrity and Perseverance, With Innovative and Proactive Action, We Deliver!

OUR **MISSION**

Being a Builder of Integrity, we create an excellent and coherent teamwork via our core values and productive organisational infrastructure align with our formulated strategic planning and alliance with vendors, we deliver our commitment in products and services effectively and efficiently to our esteemed clients.

Being a Competent Team, together with our trust in values, we move forward enthusiastically in a safe, healthy and cheerful working environment, encourage creativity and passion for growth, foster mutual respect and caring attitude.

Being an Accountable Organisation, we dedicate to fulfill in our best endeavour in social responsibilities, environmental consciousness and innovative value engineering whilst balancing the interests of stakeholders.

OUR **CORE VALUES**

Care
We respect each other, our clients, the environment and our community. Safety and care are utmost priority in our work practices and are keys to the positive solutions we deliver for our clients.

Integrity
We are honest in our dealings, taking responsibility and always accountable for our actions.

Tenacity
Our persistence and perseverance, attitude, systems and disciplines focus our efforts into the delivery of excellence.

Innovative
We thrive on challenges and take pride in being innovative and delivering successful solutions.

Proactive
We are proactive in identifying issues and providing most pragmatic solutions.

CORPORATE INFORMATION

Board of Directors

Tan Sri Dato' Sri Mohamad Fuzi Bin Harun
Independent Non-Executive Chairman

Wong Yih Ming
Group Managing Director

Chu Yee Hong
Executive Director

Yap Kek Siung
Executive Director

Tan Chee Keong
Independent Non-Executive Director

Datuk Lee Kam Foo
Independent Non-Executive Director

Lau Mei Ho
Independent Non-Executive Director

Audit and Risk Management Committee

Chairman
Tan Chee Keong

Members
Datuk Lee Kam Foo
Lau Mei Ho

Remuneration Committee

Chairman
Datuk Lee Kam Foo

Members
Tan Chee Keong
Lau Mei Ho

Nomination Committee

Chairman
Tan Chee Keong

Members
Datuk Lee Kam Foo
Lau Mei Ho

Company Secretaries

Tan Tong Lang
(MAICSA 7045482/SSM PC No. 202208000250)

Thien Lee Mee
(LS0010621/ SSM PC No. 201908002254)

Head/Management Office

D-21-0, Kinrara Niaga, Jalan BK 5A/2B
Bandar Kinrara
47180 Puchong
Selangor, Malaysia

Tel. : +603 8080 9088
Fax : +603 8080 9882
Email : corporate@taghill.my
Website : www.taghill.my

Registered Office

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia

Tel. : +603 9770 2200
Fax : +603 2201 7774

Auditors

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA)
Chartered Accountants (AF0117)
Baker Tilly Tower, Tower 1,
Avenue 5, Bangsar South,
59200 Kuala Lumpur,
Wilayah Persekutuan, Malaysia

Tel. : +603 2297 1000
Fax : +603 2282 9980
Website : www.bakertilly.my

Sponsor

M & A Securities Sdn Bhd.
(Registration No. 197301001503 (15017-H))

Level 3, 7, 45 & 47
The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Tel. : +603 2284 2911

Registrar

Aldpro Corporate Services Sdn. Bhd.
(Registration No. 202101043817 (1444117-M))

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia

Tel. : +603 9770 2200
Fax : +603 2201 7774

Principal Bankers

United Oversea Bank (Malaysia) Berhad

Malayan Banking Berhad

OCBC Al-Amin Bank Berhad

Hong Leong Bank Berhad

Al-Rajhi Banking & Investment Corporation (Malaysia) Berhad

CIMB Bank Berhad

CIMB Islamic Bank Berhad

Alliance Bank Malaysia Berhad

RHB Bank Berhad

Ambank (M) Berhad

Stock Exchange

ACE Market of Bursa Malaysia Securities Berhad

Stock Name : TAGHILL
Stock Name : 0241

CORPORATE STRUCTURE

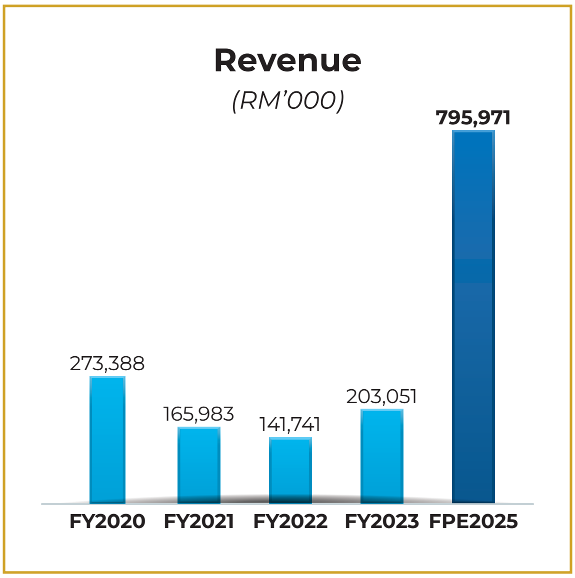
TAGHILL®

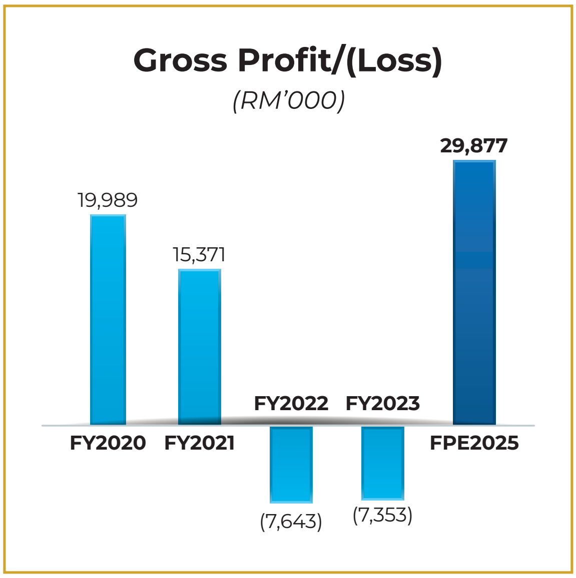
TAGHILL HOLDINGS BERHAD
Registration No.: 202001043548
(1399869-A)

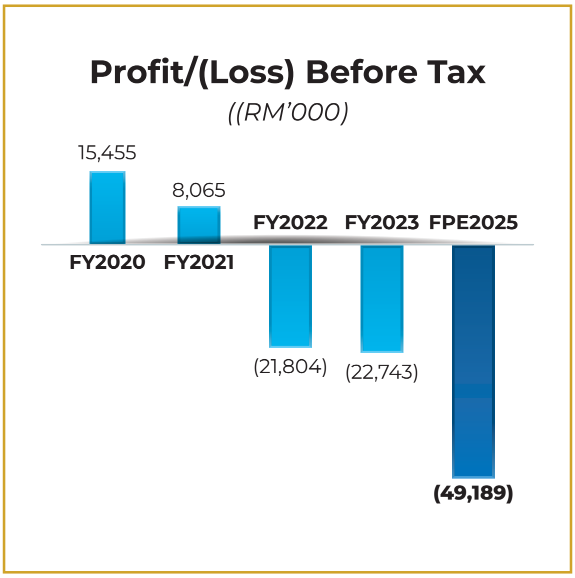
- 100% — **Taghill Projects Sdn. Bhd.**
  Registration No.: 201001036909 (920832-W)
  - 60% — **Bimtech Solutions Sdn. Bhd.**
    Registration No.: 201901046247 (1355577-D)
- 100% — **Taghill Land Sdn. Bhd.** **(formerly known as Ufuk Mercu Sdn. Bhd.)**
  Registration No.: 202401020953 (1566802-M)
  - 100% — **Cangkat Pesona Sdn. Bhd.**
    Registration No.: 202501010268 (1611682-U)
- 100% — **Siab (M) Sdn. Bhd.**
  Registration No.: 198401015158 (127713-U)
  - 100% — **Siab Construction Sdn. Bhd.**
    Registration No.: 201801015345 (1277361-W)
    - 100% — **Siab Development Sdn. Bhd.**
      Registration No.: 201701013371 (1227536-P)
      - 100% — **Siab Engineering Sdn. Bhd.**
        Registration No.: 201101033307 (961442-H)
        - 100% — **Siab Network Solutions Sdn. Bhd.**
          Registration No.: 201301034985 (1064813-T)

FINANCIAL HIGHLIGHTS

	FY2020 RM'000	FY2021 RM'000	FY2022 RM'000	FY2023 RM'000	FPE2025 RM'000
FINANCIAL PERFORMANCE					
Revenue	273,388	165,983	141,741	203,051	**795,971**
Gross Profit/(Loss)	19,989	15,371	(7,643)	(7,353)	**29,877**
Profit/(Loss) Before Tax	15,455	8,065	(21,804)	(22,743)	**(49,189)**
Profit/(Loss) After Tax	11,043	5,376	(19,269)	(22,650)	**(55,519)**
FINANCIAL POSITION					
Total Assets	166,139	142,584	179,144	160,320	**691,828**
Total Borrowings	12,247	22,121	44,199	28,855	**213,268**
Total Equity	36,719	38,095	54,439	43,489	**102,719**
Cash and short-term deposits	13,379	10,702	31,441	18,894	**71,451**
FINANCIAL RATIOS					
Profit/(Loss) After Tax Margin (%)	4.04	3.24	(13.59)	(11.15)	**(6.97)**
Basic Earnings/(Loss) per Share (sen)	64.57	31.43	(4.10%)	(4.61)	**(4.53)**
Net Assets per Share (sen)	214.69	222.73	11.58	8.85	**6.60**


Revenue
(RM'000)
795,971
273,388
165,983
141,741
203,051
FY2020
FY2021
FY2022
FY2023
FPE2025


Gross Profit/(Loss)
(RM'000)
29,877
19,989
15,371
FY2022
FY2023
FY2020
FY2021
FPE2025
(7,643)
(7,353)


Profit/(Loss) Before Tax
((RM'000)
15,455
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FY2022
FY2023
FPE2025
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(22,743)
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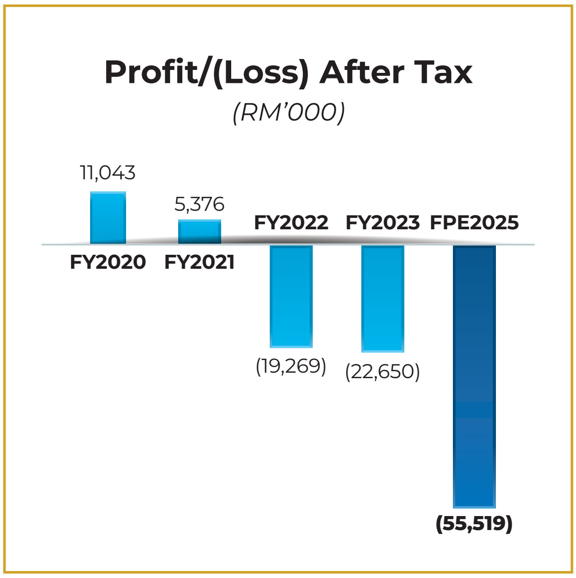
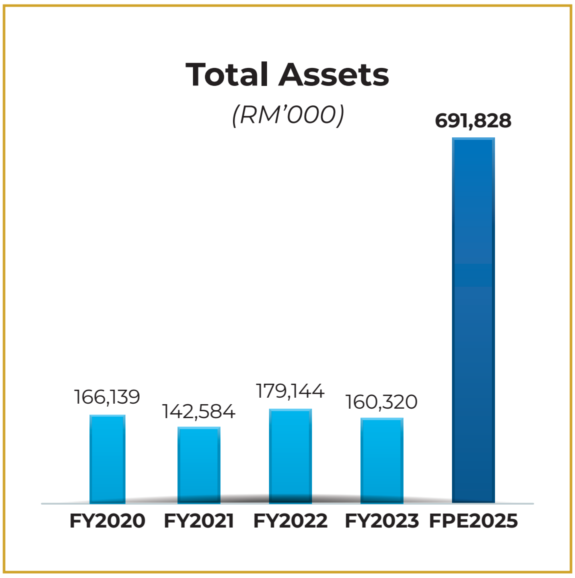
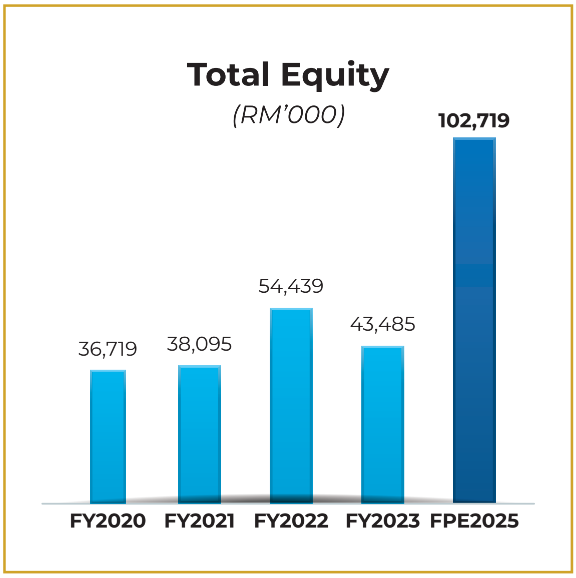

Profit/(Loss) After Tax
(RM'000)
11,043
5,376
FY2022
FY2023
FPE2025
FY2020
FY2021
(19,269)
(22,650)
(55,519)


Total Assets
(RM'000)
691,828
166,139
142,584
179,144
160,320
FY2020
FY2021
FY2022
FY2023
FPE2025


Total Equity
(RM'000)
102,719
54,439
43,485
36,719
38,095
FY2020
FY2021
FY2022
FY2023
FPE2025

PROFILE OF **DIRECTORS**

TAN SRI DATO' SRI MOHAMAD FUZI BIN HARUN

Independent Non-Executive Chairman

Malaysian, Male, 66

Date of Appointment: 24 June 2021

Qualifications

- Masters of Arts in Anthropology and Sociology (National University of Malaysia)
- Bachelor of Arts in Literature (University of Malaya)
- Advanced Management and Leadership Programme (Saïd Business School, Oxford)

Working Experience

Tan Sri Dato' Sri Mohamad Fuzi Bin Harun ("**Tan Sri Dato' Sri Mohamad Fuzi**") is a retired Inspector-General of the Royal Malaysia Police ("**RMP**"), with over three decades of distinguished service. He began his career in 1984 as a Cadet Assistant Superintendent of Police. Upon completing his basic police training, he was assigned to the RMP's Special Branch Department, where he served between 1986 to 2009 in various key roles.

In 2007, Tan Sri Dato' Sri Mohamad Fuzi was appointed Deputy Director of the Special Branch, where he oversaw the department's management, finance, human resources, and training functions. He was later promoted in 2009 to Director of the Special Task Force on Operations and Counter-Terrorism, tasked with managing national efforts related to anti-terrorism, terrorist financing, and anti–money laundering initiatives.

In 2014, Tan Sri Dato' Sri Mohamad Fuzi assumed the role of Director of the Management Department at Bukit Aman, before being appointed Director of the Special Branch in 2015. In this role, he was responsible for the overall operations of the division, including recruitment and training.

In 2017, Tan Sri Dato' Sri Mohamad Fuzi was appointed as the Inspector-General of Police - the highest-ranking position in the RMP, which he held until his retirement from public service in 2019.

Other Directorships of Public Companies and Listed Issuers

- Independent Non-Executive Chairman of Jaya Tiasa Holdings Berhad (listed on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**")) (appointed on 2 March 2020)
- Independent Non-Executive Chairman of Tropicana Corporation Berhad (listed on the Main Market of Bursa Securities) (appointed on 27 October 2020)
- Independent Non-Executive Director of Ancom Nylex Berhad (listed on the Main Market of Bursa Securities) (appointed on 19 September 2022)
- Independent and Non-Executive Chairman of Hiap Teck Venture Berhad (listed on the Main Market of Bursa Securities) (appointed on 22 March 2023)

Family Relationship with Any Director and/or Major Shareholders of the Company

- Nil

Conflict of Interest with the Company

- Nil

List of Convictions for Offences Within the Past Five (5) Years Other Than Traffic Offences and Particulars of Any Public Sanction or Penalty Imposed by the Relevant Regulatory Bodies During the Financial Period

- Nil

Board Committee

- Nil

WONG YIH MING

Group Managing Director

Malaysian, Male, 50

Date of Appointment: 2 July 2024

Qualifications

- Higher National Diploma in Quantity Surveying (Nottingham Trent University, United Kingdom)
- Bachelor of Science in Quantity Surveying (Honours) (Nottingham Trent University, United Kingdom)

Working Experience

Mr. Wong Yih Ming ("**Mr. Wong**") brings with him over 26 years of experience in the construction industry, with a career spanning cost consultancy, contracts management, and project delivery. He began his career in 1999 as a Quantity Surveyor at Juru Ukur Bahan Consult, where he was involved in cost estimation, tender preparation, contract administration, and final account reporting. In 2000, upon leaving Juru Ukur Bahan Consult, Mr. Wong joined Gainvest Builders (M) Sdn. Bhd. ("**Gainvest Builders**") as a Quantity Surveyor and was promoted to Contracts Manager in 2005. During his tenure, he gained exposure in feasibility studies, cost planning and control, procurement, value and risk management, and overseeing projects from inception to completion.

In 2010, Mr. Wong established Taghill Projects Sdn. Bhd. ("**Taghill Projects**") as a project and contract management firm, after leaving Gainvest Builders. Under his leadership, Taghill Projects was registered as a G7 contractor with the Construction Industry Development Board ("**CIDB**") Malaysia, enabling the company to undertake projects of unlimited value. Since then, he has overseen the successful delivery of various commercial and residential projects, earning a strong reputation for quality, timeliness, and cost efficiency. Mr. Wong's technical expertise and leadership continue to be instrumental in shaping the long-term strategy and operational performance of Taghill Group.

Other Directorships of Public Companies and Listed Issuers

- Nil

Family Relationship with Any Director and/or Major Shareholders of the Company

- Nil

Conflict of Interest with the Company

- Nil

List of Convictions for Offences Within the Past Five (5) Years Other Than Traffic Offences and Particulars of Any Public Sanction or Penalty Imposed by the Relevant Regulatory Bodies During the Financial Period

- Nil

Board Committee

- Nil

CHU YEE HONG

Executive Director

Malaysian, Male, 54

Date of Appointment: 15 July 2024

Qualifications

- Secondary education at Maxwell Secondary School, Kuala Lumpur
- Malaysian Certificate of Education

Working Experience

Mr. Chu Yee Hong ("**Mr. Vincent Chu**") started his career in 1991 with Gainvest Builders as a Site Supervisor. He was promoted to Site Manager in 1999 and subsequently advanced to Project Manager in 2001.

In 2014, Mr. Vincent Chu joined Taghill Projects as a director and shareholder. He currently manages and oversees the day-to-day management of building construction projects.

Throughout 34 years of hands-on experience, Mr. Vincent Chu has been involved in a wide range of massive construction projects, including residential terrace houses, commercial and retail shop lots, high-rise serviced apartments, condominiums, landed factories, roadworks, and railway station developments.

Among the prestigious project he is involved are the construction and completion of 1040 units of 45 storeys service apartment at Jalan Ampang Kiri, Off Jalan Ampang, Selangor (Element @ Jalan Ampang) and 447 units of 53 storeys service apartment at Jalan Tun Razak, Kuala Lumpur (Expressionz Suite @ Jalan Tun Razak) under EXSIM Group.

Other Directorships of Public Companies and Listed Issuers

- Nil

Family Relationship with Any Director and/or Major Shareholders of the Company

- Nil

Conflict of Interest with the Company

- Nil

List of Convictions for Offences Within the Past Five (5) Years Other Than Traffic Offences and Particulars of Any Public Sanction or Penalty Imposed by the Relevant Regulatory Bodies During the Financial Period

- Nil

Board Committee

- Nil

YAP KEK SIUNG

Executive Director

Malaysian, Male, 50

Date of Appointment: 3 June 2025

Qualifications

- Bachelor of Science in Building Construction Management from Sheffield Hallam University, United Kingdom

Working Experience

Mr. Yap Kek Siung ("**Mr. Yap**") commenced his career in 1998 as a Site Manager with Khinhup Construction. In 2004, he joined Gainvest Builders, where he advanced from Site Manager to Project Manager by 2007, gaining experience in project execution and site coordination.

Mr. Yap is currently the Executive Director of Taghill Holdings and Taghill Projects, as well as Project Director of Taghill Group, overseeing the full spectrum of project management activities. His responsibilities include ensuring timely delivery, budget compliance, and adherence to quality standards across all building construction projects.

Since joining Taghill Projects in 2014, Mr. Yap has accumulated over two decades of hands-on experience in project planning, management, and site supervision. His track record spans a wide range of developments, including factories, commercial buildings, workshops, service centres, and high-rise serviced apartments.

Other Directorships of Public Companies and Listed Issuers

- Nil

Family Relationship with Any Director and/or Major Shareholders of the Company

- Nil

Conflict of Interest with the Company

- Nil

List of Convictions for Offences Within the Past Five (5) Years Other Than Traffic Offences and Particulars of Any Public Sanction or Penalty Imposed by the Relevant Regulatory Bodies During the Financial Period

- Nil

Board Committee

- Nil

DATUK LEE KAM FOO

Independent Non-Executive Director

Malaysian, Male, 49

Date of Appointment: 1 July 2023

Qualifications

- Advocate & Solicitor (High Court of Malaya)
- LL.B (Bachelor of Laws) from University of London
- Certificate in Legal Practice (CLP)
- Arbitrator, Asian International Arbitration Centre (AIAC), Asian Institute of Alternative Dispute Resolution (AIADR)
- Diploma in International Arbitration from Chartered Institute of Arbitrators
- Mediator, AIADR
- Accredited Adjudicator, AIAC

Working Experience

Datuk Lee Kam Foo ("**Datuk Lee**") was called to the Malaysian Bar and admitted as an Advocate and Solicitor of the High Court of Malaya in 2000. He has been in active legal practice for more than 20 years and currently practising in Messrs. Ben Lee & Sharen in Kuala Lumpur as the Managing Partner. Datuk Lee specialises in civil litigation, in particular corporate, commercial, construction, and tax-related disputes.

In addition to his practice as an Advocate & Solicitor, Datuk Lee holds multiple professional qualifications in the field of alternative dispute resolution. He is a qualified Arbitrator with Asian International Arbitration Centre ("**AIAC**") and Asian Institute of Alternative Dispute Resolution ("**AIADR**"). He is also the qualified mediator for AIADR. Apart from that, he is an Accredited Adjudicator with the AIAC. These credentials underscores his versatility, enabling him to serve not only effective counsel in contentious matters but also play an efficient role in arbitration, mediation, and adjudication proceedings.

Other Directorships of Public Companies and Listed Issuers

- Nil

Family Relationship with Any Director and/or Major Shareholders of the Company

- Nil

Conflict of Interest with the Company

- Nil

List of Convictions for Offences Within the Past Five (5) Years Other Than Traffic Offences and Particulars of Any Public Sanction or Penalty Imposed by the Relevant Regulatory Bodies During the Financial Period

- Nil

Board Committee

- Chairman of the Remuneration Committee
- Member of the Audit and Risk Management Committee
- Member of the Nomination Committee

TAN CHEE KEONG

Independent Non-Executive Director

Malaysian, Male, 45

Date of Appointment: 3 June 2025

Qualifications

- Bachelor of Science in Applied Accounting from Oxford Brookes University, United Kingdom
- Fellow Member of the Association of Chartered Certified Accountants (ACCA), United Kingdom

Working Experience

Mr. Tan Chee Keong ("**Mr. Tan**") is a Chartered Certified Accountant (UK) with over 24 years of diverse experience in corporate finance, investment banking, private equity, mergers and acquisitions, treasury, accounting, and consulting. He has held key roles in prominent investment banks, conglomerates, and consulting firms across Southeast Asia.

Over the course of his career, Mr. Tan has led and contributed to several landmark transactions, including the successful execution of multi-billion-dollar refinancing packages for Malaysia's largest telecommunications company, as well as the privatisation of major public listed companies in the power, gaming, pay-TV, and satellite sectors. He has also played a pivotal role in the initial public offerings of leading telecommunications and pay-TV operators in the region.

He previously served as Executive Director and Group Chief Financial Officer of Advancecon Holdings Berhad from May 2024 to April 2025.

Other Directorships of Public Companies and Listed Issuers

- Independent Non-Executive Director of ACME Holdings Berhad (listed on the Main Market of Bursa Securities) (appointed on 14 May 2019)

Family Relationship with Any Director and/or Major Shareholders of the Company

- Nil

Conflict of Interest with the Company

- Nil

List of Convictions for Offences Within the Past Five (5) Years Other Than Traffic Offences and Particulars of Any Public Sanction or Penalty Imposed by the Relevant Regulatory Bodies During the Financial Period

- Nil

Board Committee

- Chairman of Audit and Risk Management Committee
- Chairman of Nomination Committee
- Member of Remuneration Committee

LAU MEI HO

Independent Non-Executive Director

Malaysian, Female, 58

Date of Appointment: 29 July 2025

Qualifications

- Diploma in Management Accounting from Tunku Abdul Rahman University College
- Completed the Chartered Institute of Management Accountants (CIMA) professional qualification in Management Accounting and was previously an Associate Member of CIMA
- Chartered Accountant, certified by the Malaysian Institute of Accountants (MIA)

Working Experience

Ms. Lau Mei Ho ("**Ms. Lau**") has over 30 years of financial leadership experience across a wide range of industries, including construction, oil and gas, toll concessions, highway maintenance, property development, manufacturing, and Business-to-Business commerce. Her area of expertise spans financial reporting, corporate finance, treasury, taxation, investor relations, strategic planning, risk management, and performance monitoring across complex business environments.

Earlier in her career, Ms. Lau served as Group Finance Manager in Alloy Consolidated Sdn. Bhd. ("**Alloy**"), a company engaged in toll concessionaire, highway and road construction. At Alloy, she was responsible for overseeing consolidated financial reporting, cash flow management, and financial operations across various business units. Subsequently, she held senior finance roles in various companies involved in construction, property development, and infrastructure, including Bumimetro Construction Sdn. Bhd. and Lejadi Holdings Sdn. Bhd.

In June 2014, Ms. Lau joined Metex Steel Sdn. Bhd., a wholly-owned subsidiary of Chin Hin Group Berhad ("**Chin Hin**"), as Senior Finance and Administration Manager. In April 2015, she was promoted to Financial Controller of Chin Hin. Her continued contributions and leadership led to her appointment as Group Finance Director in 2017.

In January 2023, Ms. Lau was promoted to the position of Chief Financial Officer of the Building Material Division of Chin Hin. During her tenure, she played a strategic and instrumental role in Chin Hin's Initial Public Offerings ("**IPOs**"), with oversight across key areas including financial and tax management, corporate finance, risk governance, and major corporate exercises. Her responsibilities also included leading financial due diligence audits for potential acquisitions, supporting Chin Hin's expansion strategy. In addition to her core CFO responsibilities, Ms. Lau held directorship roles in several subsidiaries within the division, including those under Ajiya Berhad ("**Ajiya**"). She also served as an authorised cheque signatory for all subsidiaries across both Ajiya and Chin Hin's Building Material Division. Ms. Lau concluded her service with Chin Hin in August 2025.

Other Directorships of Public Companies and Listed Issuers

- Nil

Family Relationship with Any Director and/or Major Shareholders of the Company

- Nil

Conflict of Interest with the Company

- Nil

List of Convictions for Offences Within the Past Five (5) Years Other Than Traffic Offences and Particulars of Any Public Sanction or Penalty Imposed by the Relevant Regulatory Bodies During the Financial Period

- Nil

Board Committee

- Member of the Remuneration Committee
- Member of the Nomination Committee
- Member of the Audit and Risk Management Committee

PROFILE OF
KEY SENIOR MANAGEMENT

LEE YENG LING (CATHERINE)
Chief Financial Officer

Malaysian, Female, 46
Date of Appointment: 15 April 2025

Ms. Lee Yeng Ling (Catherine) ("**Ms. Catherine Lee**") is the Chief Financial Officer of Taghill Group. She joined Taghill Projects in 2019, bringing with her nearly two decades of expertise in accounting and financial management.

In her current role, Ms. Catherine Lee oversees financial reporting, cash flow management, and regulatory compliance. Her strategic leadership has been instrumental in strengthening the Group's financial governance, improving operational efficiency, and supporting sustainable business growth.

Prior to joining Taghill Projects, Ms. Catherine Lee gained extensive experience as an Accountant with both multinational corporations and public listed companies across various industries, including heavy machinery, retail, and services. Her career includes notable roles at Multico (M) Sdn. Bhd. - a global leader in equipment solutions - as well as Tomei Consolidated Berhad (listed on the Main Market of Bursa Securities), and Voir Group, a leading player in fashion retail. Ms. Catherine Lee's diverse industry exposure has equipped her with a well-rounded financial acumen and operational insight, positioning her as a key contributor to Taghill's management team .

Ms. Catherine Lee is a Fellow Member of ACCA, United Kingdom, and a member of the Malaysian Institute of Accountants ("**MIA**").

TAN HING HOO
Head, Contract

Malaysian, Male, 50
Date of Appointment: 2 May 2018

Mr. Tan Hing Hoo ("**Mr. Tan**") is the Head of Contract Department at Taghill Group. He is responsible for overseeing contract procurement, project costing, and advising on contract execution across the Group's construction portfolio.

Mr. Tan joined the Group in 2018, bringing with him two decades of hands-on experience in contract and cost management. He is well-versed in overseeing complex construction and engineering contracts, as well as managing Design & Build and Engineering, Procurement, Construction Management contracts. Mr. Tan's experience makes him an invaluable asset to Taghill Group in navigating the diverse aspects of the construction sector.

Mr. Tan's career began in 1998 as a Quantity Surveyor with Sutomo & Associates. He later served in key positions with several main contractors, including Domain Resources Sdn. Bhd. (a subsidiary of Malton Berhad, listed on the Main Market of Bursa Securities), M+W Hightech Projects (M) Sdn. Bhd., and Hiti Engineering (M) Sdn. Bhd.. In these roles, he was responsible for contract administration and cost management on notable developments such as the Pavilion Damansara Heights mixed-development project, the Q-Cells solar panel plant in Cyberjaya, and the Western Digital semiconductor facility in Penang.

Mr. Tan holds a Higher National Diploma in Quantity Surveying from Nottingham Trent University, United Kingdom.

GOH LENG SUAT (IVY)

Senior Manager, Contract

Malaysian, Female, 44

Date of Appointment: 1 December 2022

Ms. Goh Leng Suat (Ivy) ("**Ms. Ivy Goh**") joined the Group in December 2022 and currently serves as the Senior Contract Manager at Taghill Group. In this role, she oversees all aspects of project costing and tendering across the organisation. With her deep industry knowledge, she plays a vital role in supporting the Group's long-term growth and operational success. Over the course of her two-decade career, she has built strong expertise of specialising in cost planning, budgeting, procurement, and contract management.

Ms. Ivy Goh has built a solid track record in successfully managing and delivering large-scale projects while ensuring full compliance with regulatory and contractual standards. Her strategic decision-making and strong leadership have consistently driven cost efficiencies and safeguarded project outcomes from inception through to completion.

Ms. Ivy Goh began her career in the construction industry in 2003 and has held senior roles in both main contracting and interior design firms, including positions at Propel Construction (under the PGB Group, listed on the Main Market of Bursa Securities), Gainvest Builders, and Spazio Space (M) Sdn. Bhd.

Over the years, she has contributed to a wide range of high- and low-rise developments as well as interior fit-out works for both public and private sector clients. Notable projects include the *Ibu Pejabat Polis Kontinjen Kuala Lumpur*, property developments by EXSIM Group, a factory for Riverstone Holdings, and interior fit-outs for Olympus (Malaysia) Sdn. Bhd. and Panasonic Malaysia Sdn. Bhd.

Ms. Ivy Goh holds a Diploma in Quantity Surveying from Tunku Abdul Rahman College.

YAP CHUA SOON (SHAUN)

Senior Manager, Project

Malaysian, Male, 48

Date of Appointment: 1 November 2023

Mr. Yap Chua Soon (Shaun) ("**Mr. Shaun Yap**") has overseen Taghill Group's projects in the northern region of Peninsular Malaysia since 2023.

With over 25 years of industry experience, Mr. Shaun Yap's brings a versatile skill set and track record in managing complex, multi-faceted builds across various sectors. His combination of practical knowledge, project oversight capabilities, and academic qualifications enables him to consistently drive successful project outcomes with precision and efficiency.

Mr. Shaun Yap began his career in 1996 as a Junior Quantity Surveyor cum Site Supervisor at a mid-sized construction company in Malaysia. In 2002, he relocated to the United Kingdom ("**UK**") to further his studies and expand his career internationally. His portfolio includes a wide range of roles in both local and international projects, covering specialised sectors such as super warehouse construction, façade engineering, horizontal directional drilling, high-rise developments, and mixed-development projects. Notably, while in the UK, he was also involved in the renovation and refurbishment of London Underground stations and facilities.

Mr. Shaun Yap holds a Bachelor of Science (Honours) in Quantity Surveying and a Postgraduate Diploma in Construction Project Management, both from institutions in the UK.

LEOW CHENG KEONG (JOHN)

Senior Manager, Project

Malaysian, Male, 58
Date of Appointment: 2 November 2020

Mr. Leow Cheng Keong (John) ("**Mr. John Leow**") is the Senior Project Manager for the Construction and Development Team at Taghill Group. He has been a pivotal member of the Group since 2020.

Mr. John Leow completed his *Sijil Pelajaran Malaysia* at St. Paul's Institution, Seremban, in 1985.

Mr. John Leow began his career in 1986 and has since accumulated nearly four decades of experience in the construction and property development industry covering project planning, site execution, and stakeholder coordination across both the development and construction segments. He is recognised for his hands-on leadership, technical acumen, and dedication to project excellence.

Over the years, Mr. John Leow has been instrumental in numerous large-scale development initiatives in Selangor. These include a 120-acre development in Section 7, Shah Alam; an 80-acre township in Bandar Baru Bangi, Kajang; a 4-acre redevelopment project in Kampung Baru Ampang, Ampang; and a 14-acre project in Seri Kembangan. In addition to his development expertise, he has overseen the successful delivery of several prominent construction projects, such as SkyAwani 2, SkySierra, and The Arcuz.

Notes:

1. *None of the Key Senior Management has any directorship in public companies and listed issuers.*
2. *None of the Key Senior Management has any family relationship with any directors and major shareholders of the Group and the Company.*
3. *None of the Key Senior Management has any conflict of interest with the Group and the Company.*
4. *None of the Key Senior Management has any conviction for offences within the past five (5) years other than traffic offences, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial period.*

CHAIRMAN'S **STATEMENT**

"Dear Valued Shareholders,

On behalf of the Board of Directors (the "**Board**"), I am pleased to present the Annual Report and audited financial statements of Taghill Holdings Berhad ("**Taghill**" or the "**Company**", formerly known as Siab Holdings Berhad ("**Siab**")) and its subsidiaries (collectively "**Taghill Group**" or the "**Group**") for the financial period ended 31 May 2025 ("**FPE2025**"). The audited accounts of the Group reflect a period of 17 months from 1 January 2024 to 31 May 2025, following a change in the financial year-end from 31 December 2024 to 31 May 2025.

FPE2025 was a defining period for Taghill Group, anchored by strategic actions to strengthen our foundations and chart a more sustainable growth path, in response to the demanding operating backdrop. The completion of the acquisition of Taghill Projects Sdn. Bhd. ("**Taghill Projects**") by the Company in June 2024 marked a key milestone for the Group. Following this, Siab rebranded to Taghill Holdings Berhad, ushering in a new phase of transformation in our journey."

ECONOMIC & INDUSTRY OVERVIEW

The global economy in 2024 demonstrated resilience amid a complex landscape, recording a 3.2% gross domestic product ("**GDP**") growth. This was backed by stronger-than-expected contributions from emerging markets, particularly in Asia, where demand for semiconductors and electronics remained robust. However, growth was tempered by persistent geopolitical tensions in Europe and the Middle East, cautious monetary policy stances, and disruptions in global supply chains, which heightened the risk of a broader global slowdown. Against this backdrop, the Malaysian economy expanded by 5.1% in 2024, supported by sustained domestic demand, steady external trade, and higher inflows of foreign direct investment.

In Malaysia, the construction sector delivered its strongest GDP growth in a decade, surging 17.5% in 2024, driven by solid investment activity. According to the Department of Statistics Malaysia ("**DOSM**"), the value of construction work done in 2024 reached RM158.8 billion, a 20.2% increase from 2023. Civil engineering activity rose 17.3% in 2024, underpinned by ongoing multi-year infrastructure developments, with flagship projects such as the East Coast Rail Link ("**ECRL**"), Pan Borneo Highway, and Johor Bahru–Singapore RTS Link ("**RTS**") making good progress. Residential construction grew 24.5% fuelled by sustained demand for affordable housing, while the non-residential segment rebounded with 15.5% growth on the back of industrial and commercial developments, including industrial parks, data centres, high-rise and mixed-use developments, among others.

Despite the encouraging headline growth, the construction sector continued to face a myriad of challenges, including raw material cost inflation, labour shortages, rising wages, and the removal of blanket diesel subsidies in Malaysia during the period, pushing up operational costs. These factors placed additional pressure on project margins and required tighter cost management throughout the industry.

Amid these conditions, Taghill Group remained focused on restoring a stronger financial and operational footing. Leveraging the combined expertise and resources of the enlarged Group, we continued to execute projects focusing on efficiency and prudent cost control, while positioning ourselves to capture arising opportunities.

A YEAR OF CONSOLIDATION FOR A STRONGER TOMORROW

FPE2025 marked a pivotal period of transition for Taghill Group, defined by strategic acquisition, and a refreshed vision.

In June 2024, the Group completed the acquisition of Taghill Projects, a profitable and well-established Malaysian construction group with proven track record in high-rise residential and commercial developments. This acquisition united Siab's expertise in industrial and commercial construction, with Taghill Projects' strengths, broadening our market reach and project portfolio. This integration enables us to leverage combined engineering expertise, supply chain networks, and client relationships, creating a more competitive and resilient organisation.

Following the acquisition, Siab changed its corporate name to Taghill Holdings Berhad, aligning the Group's identity with our aspirations to be one of the leading construction and property development groups in Malaysia. The name "Taghill" embodies a steadfast hill - solid and enduring. Standing tall on the horizon, it symbolises resilience in overcoming challenges and a vantage point that guides us towards new heights of achievement and prosperity.

Our priority post-acquisition is to streamline operations to enhance efficiencies and project delivery, while addressing challenges in ongoing projects inherited prior to the acquisition. Our focus remained on completing these projects with careful oversight and financial discipline to safeguard margins. In parallel, we divested several non-core assets during the period to focus on our core strengths. Additionally, we streamlined the Group's organisational structure to support more agile decision-making and well-developed execution.

Meanwhile, we continued to secure new construction jobs in FPE2025. During the period under review, Taghill Group clinched five new contracts, with a cumulative contract value of RM975.1 million. This brings our total ongoing construction projects to 15, with an outstanding order book of RM1.64 billion as at 31 May 2025, providing earnings visibility for the next three years. These projects span high-rise residential, mixed-use, commercial, hospitality, and industrial projects across Malaysia.

In FPE2025, we also took a major step to diversify our earnings base by venturing into property development. Via our fully-owned subsidiary, Taghill Land Sdn. Bhd., we formed a joint venture with YTB Impression Sdn. Bhd., a wholly-owned subsidiary of Main Market-listed Yong Tai Berhad, to develop The Dawn @ Impression City Melaka - a project comprising two blocks of serviced suites with an estimated gross development value ("**GDV**") of approximately RM183.3 million. This move aligns with our strategy to tap into higher-margin sectors by leveraging our construction expertise.

Artist Impression of The Dawn @ Impression City Melaka

In terms of financial performance, the Group achieved a revenue of RM796.0 million in FPE2025, mainly attributable to contributions from Taghill Projects, with its Construction and Civil Engineering segment accounted for 99.9% of the Group's revenue. Nonetheless, despite the healthy top-line contribution, the Group recorded a loss in FPE2025 as it incurred operational losses from inherited projects, impacted by one-off impairments amounting to RM23.3 million, an amortisation charge of RM9.6 million, as well as elevated material costs. Consequently, the Group posted a loss after tax attributable to owners of the Company of RM55.6 million for FPE2025.

While FPE2025 was a period of consolidation and transition, the strategic measures implemented have positioned the Group on firmer footing to achieve a more robust performance in the coming fiscal year.

DIVIDEND

In view of the demanding operating environment and the Group's ongoing consolidation efforts, the Board has not proposed a dividend payment for FPE2025. This is in line with our commitment to financial prudence and conserving cash reserves, to strengthen the Group's balance sheet, support working capital requirements, and reinvest in growth opportunities that will deliver lasting value.

SUSTAINABILITY MATTERS

In an era where climate change and environmental impact shape the way industries operate, Taghill Group seeks to minimise our carbon footprint and promote sustainable construction practices. As such, we are adopting cleaner energy solutions, including plans to install solar panels at our head office and battery-powered generators at project sites, reducing reliance on fossil fuels and lowering emissions.

Building on this responsibility, we support our clients to incorporate sustainable features into their developments, with several of these buildings achieving GreenRE certification for energy efficiency and resource optimisation.

Our efforts are guided by a robust IMS, certified to International Organization for Standardization ("**ISO**") standards, underpinning how we plan, deliver, and continuously improve our work:

- ISO 9001:2015 (Quality Management System)
- ISO 45001:2018 (Occupational Health & Safety Management Systems)
- ISO 14001:2015 (Environmental Management System)

Meanwhile, the safety and well-being of our staff remain paramount, as demonstrated by our ISO 45001:2018-certified Occupational Safety and Health Management System, endorsed by a five-star rating under Malaysia's Safety and Health Assessment System in Construction ("**SHASSIC**") framework for workplace safety.

A comprehensive discussion of our sustainability commitments and initiatives can be found in the Sustainability Statement of this Annual Report.

PAVING THE WAY FORWARD

The year ahead presents a complex operating environment. Bank Negara Malaysia ("**BNM**") revised the national GDP forecast for 2025 downward to 4.0% - 4.8% from the earlier 4.5% - 5.5% estimate, citing external headwinds such as global trade tensions and tariff uncertainties. Nevertheless, BNM affirms the economy remains on solid footing, driven by strong domestic demand, healthy investment inflow, continued demand for electrical and electronics ("**E&E**") exports and robust tourism activity. The recent cut in the Overnight Policy Rate ("**OPR**") to 2.75% is also expected to ease financing costs and support growth in key domestic industries such as construction and property development.

The local construction industry is poised to remain a key driver for the economy with the research firm, Research and Markets, forecasting growth of 6.1% in 2025 and an average of 4.4% between 2026 and 2029. Data from DOSM showed the value of construction work done continued to expand by a strong 16.6% in 1Q2025. Growth catalysts include major public infrastructure projects such as the ongoing ECRL, Pan Borneo Highway and RTS Link, alongside upcoming developments such as the Penang's Mutiara LRT and MRT3, amongst others. Private investments are active too with new industrial parks, data centres, and mixed-use commercial developments taking place across locations such as the Klang Valley and Johor.

Turning to the property development sector, the outlook remains positive. According to the Property Market Report 2024 by National Property Information Centre ("**NAPIC**"), transaction volumes rose 5.4% to 420,525 deals, while total value surged 18% to RM232.3 billion - the highest in a decade. Growth is supported by sustained housing demand and a strong private sector pipeline, including township, residential, mixed-use, commercial, and industrial developments. With transaction activity on the rise and private investment momentum intact, the sector is set to maintain positive trajectory in 2025 and 2026.

On the flip side, cost pressures are expected to persist, driven by higher labour expenses given the higher minimum wage of RM1,700 since February 2025 and upcoming mandatory 2% Employee Provident Fund ("**EPF**") contribution for foreign workers from October 2025. Added to this is the Service Tax scope expansion and electricity tariff structure revision for non-residential sectors from 1 July 2025, as well as prevailing volatility in commodity prices that may impact operating costs. Furthermore, the anticipated carbon tax on steel, iron, and energy from 2026 may further elevate costs across construction and property development.

Against this landscape, Taghill Group's priorities for FY2026 are clear. We enter the new fiscal year with a fortified foundation following a period of realignment. Our priority is to deliver our current portfolio of ongoing projects to the highest standards, while deepening operational oversight to ensure costs and timelines remain firmly on track. Our RM1.64 billion outstanding construction order book offers earnings visibility and stability. Not resting on our laurels, the team is actively tendering for new projects that align with our strengths and profit margin expectations.

Concurrently, we shall advance our diversification into property development with our maiden joint venture project, The Dawn @ Impression City Melaka, targeted to commence by 1Q2026. We are optimistic of its prospects, supported by growing demand for high-rise properties in Melaka, a robust tourism market, recent amendments to the Malaysia My Second Home ("**MM2H**") programme, and favourable financing conditions.

APPRECIATION AND ACKNOWLEDGEMENTS

On behalf of the Board, I would like to express sincere appreciation to the management team for their leadership and commitment, and to all our employees for their dedication and hard work throughout the challenging year. My gratitude also goes to our business partners and associates for their trust, collaboration, and continued support, which have been integral to the Group's progress.

In FPE2025, there were several changes within the Board and leadership team. My sincere thanks to Mr. Ng Wai Hoe, who last served as Executive Director; Ms. Tan Sok Moi and Ms. Lim Mei Hwee, who both last served as Executive Director and subsequently as Independent Non-Executive Directors. I would also like to acknowledge Ms. Andrea Huong Jia Mei, Ms. Susie Chung Kim Lan, and Dato' Sri Dr. Shahril Bin Mokhtar, who served as Independent Non-Executive Directors. We appreciate their contributions and wish them success in their future endeavours.

With that, we are pleased to welcome several key appointments made to the Group. Mr. Wong Yih Ming has assumed the role of Group Managing Director. In addition, Mr. Chu Yee Hong and Mr. Yap Kek Siung were appointed to the Board as Executive Directors, while Mr. Tan Chee Keong and Ms. Lau Mei Ho joined as Independent Non-Executive Directors. Alongside Datuk Lee Kam Foo, our continuing Independent Director, and myself, the Board's collective expertise and experience will be pivotal in guiding Taghill Group as we forge ahead.

Tan Sri Dato' Sri Mohamad Fuzi Bin Harun

Independent Non-Executive Chairman

MANAGEMENT DISCUSSION & ANALYSIS

"Dear Valued Shareholders,

The 17-month financial period ended 31 May 2025 ("**FPE2025**") marked a transitional and consolidation phase for Taghill Holdings Berhad ("**Taghill**" or the "**Company**", formerly known as Siab Holdings Berhad ("**Siab**")) and its subsidiaries (collectively "**Taghill Group**" or the "**Group**"). During this period, the Group undertook a major acquisition exercise alongside several strategic initiatives to enhance competitiveness and position the Group for sustainable growth. Amid industry-wide cost pressures and operational challenges, Taghill Group maintained steady progress in project execution, delivering a revenue of RM796.0 million in FPE2025. Furthermore, we continued to strengthen our market presence by securing new projects, bringing our outstanding order book to RM1.64 billion as at 31 May 2025.

This Management Discussion and Analysis provides a review of the Group's business operations and financial performance for the 17-month financial period under review."

GROUP BUSINESS OVERVIEW

Taghill is an investment holding company listed on the ACE Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). During FPE2025, the Group, through its subsidiaries, operated two business segments:

1. **Construction and Civil Engineering**

   Taghill Group delivers integrated design-and-build services, managing the full project lifecycle from initial concept and design through to completion. Acting primarily as the main contractor or principal works contractor, the Group oversees every aspect of project delivery - from planning and scheduling to on-site coordination of manpower, resources, and specialist subcontractors - for works such as the supply and installation of materials, machinery and equipment, mechanical and electrical systems, piping and plumbing, external painting, and waterproofing.

   We apply technology-driven solutions, including Building Information Modelling ("**BIM**"), to enhance design accuracy, coordination, and cost efficiency. BIM is a 3-dimensional ("**3D**") building information modelling-based design process that provides contractors, engineers, architects and other construction professionals to efficiently plan, design and construct a structure or building within a 3D model.

The Group holds the Construction Industry Development Board ("**CIDB**") Grade G7 licence through its construction subsidiaries, Taghill Projects Sdn. Bhd. ("**Taghill Projects**") and Siab (M) Sdn. Bhd. ("**Siab (M)**"), affirming our capability to undertake large-scale projects. With over 40 years of experience, the Group's portfolio includes a broad spectrum of projects, such as high-end commercial and mixed-use developments, high-rise Grade A office towers, hypermarkets and industrial facilities, institutional buildings such as hospitals, as well as high-rise residential developments and township projects.

Notable projects include iconic landmarks such as Ceylonz Suites, a premium high-rise development in Kuala Lumpur city centre, and Expressionz Professional Suites, which received a Commendation in the Pertubuhan Arkitek Malaysia ("**PAM**") Awards 2019 for the Multiple Residential (High-Rise) category.

Expressionz Professional Suites

Ceylonz Suites

2. **Information and Communication Technology ("ICT")**

   The ICT segment supports both the Group's internal operations and external service offerings by providing digital solutions that enhance project efficiency and coordination, such as BIM and digitisation services.

New Division – Property Development

The Group has diversified into property development activity in FPE2025 via our wholly-owned subsidiary, Taghill Land Sdn. Bhd. (formerly known as Ufuk Mercu Sdn. Bhd.) ("**Taghill Land**"), focusing on the planning, development, and marketing of residential and commercial properties. Leveraging the Group's construction expertise, this new segment will enable us to participate in the full development cycle and capture greater value from our projects.

CORPORATE EXERCISES AND DEVELOPMENTS

Path of Transformation into Taghill Holdings Berhad

On 15 September 2023, then Siab (now known as Taghill) announced the proposed acquisition of 100.0% equity interest in Taghill Projects, a construction services provider, for a total purchase consideration of RM122.0 million to be fully satisfied via a combination of RM96.0 million cash and RM26.0 million through the issuance of 200 million new ordinary shares in Siab ("**Siab Shares**") at an issue price of RM0.13 per share (the "**Acquisition**").

The Acquisition came with a profit guarantee by the vendors that Taghill Projects shall attain a cumulative profit after tax and minority interest ("**PATAMI**") of not less than RM24.0 million for the financial year ended 31 December 2024 and ending 31 December 2025 (prior to the Group, including Taghill Projects, changing their financial year-end to 31 May).

To fund the exercise, the Group had undertaken the following:

(i) Private placement of 100 million new Siab Shares representing approximately 20.4% of its then existing issued shares. The exercise was subsequently completed on 28 December 2023 following the issuance of 100 million shares at an issue price of RM0.12 per share.

(ii) Renounceable rights issue of 766.5 million new Siab Shares ("**Rights Shares**") together with 383.3 million free detachable warrants ("**Warrants**") on the basis of 13 Rights Shares for every 10 existing Siab Shares held, together with 1 Warrant for every 2 Rights Shares subscribed ("**Rights Issue with Warrants**").

    The Rights Issue price was fixed at RM0.12 per Rights Share, while the Warrants exercise price was fixed at RM0.20 per Warrant. The Warrants, issued at no cost to entitled shareholders, may be exercised at any time within five years from the date of issuance.

    The Rights Issue with Warrants was completed on 25 June 2024 following the listing of and quotation for 766.5 million Rights Shares and 383.3 Warrants on the ACE Market of Bursa Securities.

The aggregate gross proceeds of about RM104.0 million from the Private Placement and Rights Issue with Warrants were primarily allocated towards the funding of cash consideration for the Acquisition amounting to RM96.0 million, with the remaining earmarked for working capital purposes and to defray expenses related to the proposals.

In addition, the Warrants have the potential to provide the Group with up to RM83.6 million in additional capital if fully exercised during their tenure, which would be utilised for working capital purposes.

On 28 June 2024, the Group announced the completion of the Acquisition, resulting in Taghill Projects becoming a wholly-owned subsidiary of the Group. To better reflect the Group's corporate identity and align with its existing and future undertakings, the Group had undertaken a rebranding exercise and changed its name from "Siab Holdings Berhad" to "Taghill Holdings Berhad".

Accordingly, the Group's securities have been traded under the new name from 26 September 2024, with the stock short name changed from "SIAB" to "TAGHILL", while stock code remains the same at "0241".

Strategic Joint Venture and Diversification into Property Development

The Group had on 3 September 2024 acquired the entire issued and paid-up share capital of Ufuk Mercu Sdn. Bhd., comprising 100 ordinary shares of RM1.00 each, for a cash consideration of RM100.00, making it a wholly-owned subsidiary of the Group. The entity was subsequently renamed Taghill Land.

On 8 April 2025, Taghill Land entered into a joint venture agreement ("**JVA**") with YTB Impression Sdn. Bhd. ("**YTBI**"), a wholly-owned subsidiary of Main Market-listed Yong Tai Berhad ("**YTB**"). Under the JVA, YTBI grants Taghill Land the exclusive rights to undertake and carry out the development, construction, and completion of Phase 2A and Phase 2B of The Dawn @ Impression City Melaka, for an entitlement of RM28.0 million to YTBI ("**YTBI Entitlement**"). The project comprises two blocks of serviced suites with a total of 648 units, with facilities floor and 330 car park bays, located on part of 2.02-hectare parcel of leasehold land in District of Melaka Tengah, Melaka (the "**Project**").

Concurrently, Taghill undertook the diversification of its existing business to include property development ("**Diversification**"), in view that the joint venture may potentially contribute 25.0% or more of the net profits of the Group and/or result in a diversion of more than 25.0% of the net assets of the Group. The Diversification, which is in line with Taghill's strategy to broaden its income base and capture growing opportunities in Malaysia's property sector, was unanimously approved by shareholders at the extraordinary general meeting ("**EGM**") held on 29 August 2025.

The Project, which is expected to commence in early 2026 and complete by 2028, carries an estimated gross development value ("**GDV**") of RM183.3 million and a gross development cost ("**GDC**") of RM149.4 million, inclusive of the YTBI Entitlement. Based on an independent market and feasibility study report, the Project is expected to generate a net profit of approximately RM33.9 million after deducting the GDC and YTBI Entitlement.

Under the terms of the JVA, in the event that the Project's profit before tax ("**PBT**") exceeds RM11.0 million, Taghill Land will be entitled to 60% of the surplus profit while the remaining 40% shall be distributed to YTBI.

Disposal of Non-Core Assets for Resource Optimisation

On 6 November 2024, Taghill, via its wholly-owned subsidiary, Siab (M), disposed of one unit of Impression U-Thant condominium measuring approximately 1,012 square feet to a former director of the Company, Ng Wai Hoe, for a consideration of RM1.3 million. The disposal formed part of a settlement arrangement to resolve outstanding obligations owed by Siab (M) to Ng Wai Hoe.

On 4 April 2025, Siab (M) has entered into two separate sale and purchase agreements with PLYTEC Formwork System Industries Sdn. Bhd. for the disposal of two parcel land together with two units of three-storey shop-office located at Bandar Bukit Puchong, Selangor, for a total consideration of RM4.6 million.

These divestments are part of the Group's cost rationalisation and operational efficiency strategy, aimed at optimising resources and supporting long-term growth. Proceeds from the disposal exercises are earmarked to reduce Siab (M)'s bank borrowings, with any remaining balance allocated to general working capital to support the Group's day-to-day operations.

Shareholders' Ratification of Recurrent Related Party Transactions ("RRPTs")

On 13 February 2025, Taghill had proposed a shareholders' ratification for RRPTs entered into by the Group following the acquisition of Taghill Projects, where Group Managing Director Wong Yih Ming and Executive Director Chu Yee Hong are effectively deemed the directors of the subsidiary of Taghill.

Taghill Projects had, in the normal course of business, entered into transactions with Exaco Marketing Sdn. Bhd. and Precise Façade Sdn. Bhd., entities in which Wong Yih Ming and Chu Yee Hong had interests in. As such, the transactions are deemed to be RRPTs.

The RRPTs were necessary for the day-to-day operations and were made on arm's length basis and on competitive commercial terms not more favourable to the related parties than those generally available to the public. Nonetheless, the Group does not anticipate further RRPTs after the ratification period, as Wong Yih Ming and Chu Yee Hong no longer have any interests in Exaco Marketing Sdn. Bhd. and Precise Façade Sdn. Bhd. The shareholders' ratification was approved by shareholders at the EGM held on 26 March 2025.

Variation to the Utilisation of IPO Proceeds

Similarly on 13 February 2025, Taghill had also proposed a variation to the utilisation of proceeds raised from the initial public offering ("**IPO**"). Taghill, then under the name Siab, was listed on the ACE Market of Bursa Securities on 28 February 2022 and raised RM36.7 million in IPO proceeds. While the current variation involved only RM2.0 million, Taghill had previously undertaken two variations on 22 May 2023 and 27 February 2024, respectively. Collectively, the variations amounted to RM10.3 million, or 28.1% of the total IPO proceeds, and are considered material in accordance with Rule 8.24 of the ACE Market Listing Requirements of Bursa Securities.

The reallocation of RM2.0 million from purchase of land and construction of storage facility and purchase of machinery and equipment to working capital will allow surplus funds originally earmarked for capital expenditure to be redirected to support operational needs. This will enhance Taghill's liquidity, ease cash flow requirements, and strengthen the Group's financial position.

The exercise was approved by shareholders at the EGM held on 26 March 2025. As at 31 May 2025, the IPO proceeds had been fully utilised.

OPERATIONAL REVIEW

Amid a challenging environment, FPE2025 was a consolidation and transition period for Taghill Group, with efforts centred on executing a business turnaround to position the Group on a stronger operational and financial footing.

A pivotal step was the acquisition of Taghill Projects, a reputable construction services provider in June 2024. This integration expanded the Group's technical capabilities and market reach, with Taghill Projects' expertise in high-rise residential and mixed-use developments complementing Siab's strengths in commercial, industrial, and institutional projects. Together, these capabilities enable the enlarged Group to participate in a wider spectrum of projects and serve a more diverse customer base.

Taghill Projects, which was founded in 2010, has an established track record, having completed eight projects with an aggregate contract value of RM1.34 billion prior to the Acquisition. Furthermore, the profit guarantee of an aggregate RM24.0 million in cumulative PATAMI over a two-year period from 2024 to 2025 underscores the confidence in the subsidiary's earnings potential and provides added assurance to the Group's turnaround efforts.

Post acquisition in June 2024, the Group focused on consolidating operations to strengthen project execution by streamlining processes and optimising resource allocation. An organisational restructuring was also carried out to improve decision-making and accountability across the Group.

Following this re-alignment, as mentioned above, the Company had changed its name from "Siab Holdings Berhad" to "Taghill Holdings Berhad" to better reflect the enlarged Group's capabilities and long-term strategic vision. This new identity serves to unify Taghill Group's brand across subsidiaries, reinforcing our ambition to become a reputable player in Malaysia's construction and property development space.

Construction and Civil Engineering Division

In FPE2025, Construction and Civil Engineering remained as the Group's core business. Activities during the period encompassed both ongoing works and newly secured contracts.

During the financial period under review, we maintained a sharp focus on executing ongoing projects with careful oversight, particularly as several legacy Siab projects faced heightened challenges from rising material costs and supply chain disruptions.

In addition, these projects also faced several other constraints, including workforce adjustments, scheduling and site coordination issues. In response, the Group implemented measures to strengthen site management, enhance cross-functional coordination and optimise resource utilisation. These efforts helped keep projects on track, safeguard margins, and uphold quality delivery across our portfolio. At the same time, the Group also standardised workflows across its construction subsidiaries, streamlining procurement processes to secure more competitive supply terms.

Concurrently, the Group monetised several non-core assets to improve financial standing, redeploying capital towards core construction activities. This included the sale of a condominium unit at Impression U-Thant for RM1.3 million, and two shop-office units in Bandar Bukit Puchong for RM4.6 million. The disposals, which involved non-income-generating properties, also supported the consolidation of operations into Taghill Group's headquarters in Bandar Kinrara, Puchong.

In parallel with these initiatives, the Group continued to embed sustainable practices across its construction activities in FPE2025. One such initiative is the use of battery-powered generators at project sites in place of conventional diesel-powered generators. These rechargeable units provide a cleaner, more efficient source of temporary power during construction, resulting in significantly lower diesel consumption and reduced greenhouse gas emissions. Moreover, we have built the capacity to deliver projects with green features in line with our clients' requirements. Further details of our sustainability initiatives are presented in the Sustainability Statement of this Annual Report.

Project Highlights

Over the years, Taghill Group has built a solid track record in delivering diverse, high-quality projects across residential, commercial, industrial, and infrastructure segments. Our portfolio reflects the Group's technical expertise, commitment to excellence, and ability to meet the evolving needs of clients and stakeholders.

LARGEST PROJECT SECURED TO-DATE

Amaya Residences @ Damansara Avenue, Kuala Lumpur

Artist Impression of **Amaya Residences**

RM 494.7 million Largest Contract to Date

In FPE2025, we secured our single largest contract to-date, the construction of Phase 1B of an integrated development in Bandar Sri Damansara, Kuala Lumpur, valued at RM494.7 million.

The development consists of two 55-storey serviced apartment towers, each comprising 634 units, two floors of facilities, and a rooftop garden. Both towers will share an additional facilities floor, all set above a 14-storey parking podium that includes a ground-level mechanical and electrical services floor and 12 parking levels.

In total, the project comprises 1,268 serviced apartment units supported by extensive amenities and parking infrastructure.

The contract period is 40 months and it is scheduled for completion by July 2028.

In FPE2025, the Group secured five new contracts with a combined value of RM975.1 million. These wins brought the total to 15 ongoing projects as at 31 May 2025, with an outstanding order book of RM1.64 billion. This provides a steady pipeline of projects, supporting earnings visibility for the next three years.

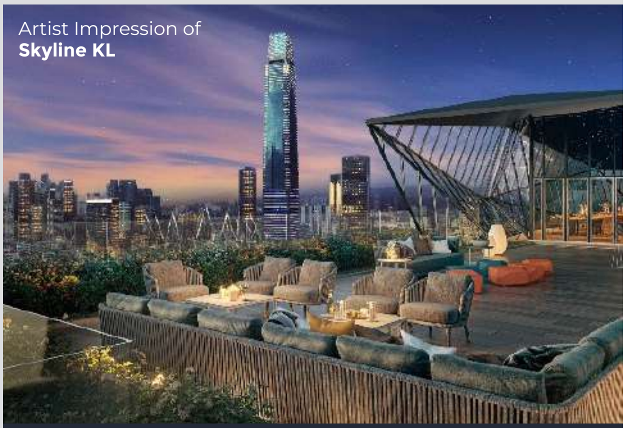
Ongoing Construction Projects (as at 31 May 2025)	Contract Value (RM million)	Outstanding Contract Value (RM million)	Scheduled Completion Date
Arunya @ KL North, Kuala Lumpur	172.3	1.7	Jun-25
Centralised Living Quarters @ Mukim Kapar, Klang	65.0	0.7	Jun-25
Macalisterz @ George Town, Penang	95.0	0.5	Jun-25
The Stallionz (Package 2) @ Ipoh White Times Square, Perak	104.6	19.4	Sep-25
Mahsuri Food Processing Factory @ Seremban, Negeri Sembilan	94.3	36.7	Sep-25
Skyline KL @ Jalan San Peng, Kuala Lumpur	425.0	95.7	Oct-25
The Fiddlewoodz (Package 3) @ KL Metropolis, Kuala Lumpur	317.5	164.0	Feb-26
D'Velada @ Bukit Jalil, Kuala Lumpur	181.7	122.0	Apr-26
The Cove @ Melaka	317.5	167.2	Apr-26
M Hill Hotel @ Ipoh, Perak	58.0	56.4	Jul-26
Alaia @ Titiwangsa, Kuala Lumpur	131.1	100.7	Aug-26
Pantai Sentral Park @ Kuala Lumpur	106.8	74.5	Oct-26
Sea Crestz @ Kuantan, Pahang	152.0	150.4	Jun-27
Noordinz Suites @ George Town, Penang (Main Building Works)	176.2	163.2	Aug-27
Amaya Residences @ Damansara Avenue, Kuala Lumpur	494.7	491.6	Jul-28

NOTABLE ONGOING PROJECTS

Skyline KL @ Jalan San Peng, Kuala Lumpur

This notable project involves the construction of four high-rise apartment blocks at Jalan San Peng, Kuala Lumpur, valued at RM425.0 million. The development entails Block A and Block D, each 51 storeys with 518 apartment suites, and Block B and Block C, each 49 storeys with 591 apartment suites. Complementing the residential components are retail lots, multi-level car parks and a comprehensive range of related amenities designed to enhance convenience and quality of life for residents.

Construction works commenced in July 2022 and scheduled for completion by October 2025.



Project Progress: **90% of construction works completed**

The Fiddlewoodz (Package 3) @ KL Metropolis, Kuala Lumpur

In February 2026, the Group is scheduled to complete the main building and infrastructure works (Package 3) for a landmark serviced apartment development at KL Metropolis, Kuala Lumpur.

Valued at RM317.5 million, the project comprises a 43-storey block with 386 units and a 42-storey block with 293 units, together with multi-level car parking facilities and a full range of related amenities.

Works for the project commenced in April 2022 and is scheduled for completion by February 2026.

Project Progress: **80% of main building works completed**

Noordinz Suites @ George Town, Penang

In February 2025, we completed the substructure works for the Noordinz Suites project in George Town, Penang. The scope of works included the alteration and addition of seven units existing two-storey heritage buildings to create four shop units, the conversion of the upper levels of two heritage buildings from residential to commercial use, and the construction of a 29-storey block comprising 603 serviced apartment units. The substructure works were completed with a contract value of RM19.4 million.

Following this, we have commenced the main building and infrastructure works for Noordinz Suites in February 2025 with a value of RM176.2 million. The project is targeted for completion by August 2027.

Project Progress: **13% of main building works completed**

ICT Division

During FPE2025, the ICT division continued to support construction operations by expanding BIM usage across projects, where feasible and/or mandatory. These initiatives help to identify and resolve potential design conflicts earlier in the project cycle, reduce rework on site, and optimise resource planning. The adoption of BIM also strengthens the Group's competitive advantage in securing complex, large-scale contracts where precision and coordination are critical.

New Division – Property Development Division

Taghill Group expanded into property development in FPE2025 via our subsidiary, Taghill Land, as part of our strategy to diversify the Group's revenue streams and enhance long-term profitability. This move aimed to capture higher-value opportunities, allowing the Group to participate in the full value chain of projects.

As mentioned earlier, Taghill Land has in April 2025 entered into a JVA with YTBI to develop The Dawn @ Impression City Melaka on part of a 2.02-hectare parcel of leasehold land in Melaka Tengah. The Dawn marks the Group's first foray into property development, with the Project involving the construction of two blocks of serviced suites housing 648 units, shared facilities, and 330 parking bays. With an estimated GDC of RM149.4 million and estimated GDV of RM183.3 million, it has the potential to yield generate a net profit of RM33.9 million to the Group upon its completion by 2028.

The Project is strategically located in the heart of Melaka, forming part of Impression City, a cultural tourism mixed development by YTB. The Project is strategically surrounded by established tourism and commercial hubs, including Encore Melaka, Klebang Beach, Riveria at Pulau Melaka, and Jonker Street Night Market, a UNESCO World Heritage Site. Situated at a prime location for business and development, the Project also offers modern amenities and convenient access to major tourist attractions.

Based on the aforementioned factors, The Dawn @ Impression City Melaka is expected to contribute meaningfully to future earnings of the Group.

FINANCIAL PERFORMANCE REVIEW

Following a change in the Taghill's financial year-end from 31 December to 31 May, FPE2025 refers to a 17-month financial period commencing from 1 January 2024 to 31 May 2025. As such, there is no comparative financial information for the preceding year's corresponding period.

Revenue

For FPE2025, Taghill reported a total revenue of RM796.0 million. The turnover was principally contributed by the ongoing projects under the construction and civil engineering segment, save for RM27,000 generated from the ICT solutions and services segment. Geographically, the revenue was wholly derived from the domestic market.

Profitability

In the financial period under review, the Group's subsidiary, Taghill Projects group - comprising Taghill Projects and BIMTech Solutions Sdn. Bhd. - delivered healthy performance, with the various construction and civil engineering contracts undertaken contributing profitable results. For FPE2025, Taghill Projects group recorded a gross profit ("**GP**") of RM38.9 million and a profit after tax ("**PAT**") of RM12.8 million, translating to a GP margin of 6.5% and PAT margin of 2.2%.

However, the positive contributions of Taghill Projects group were offset by operational losses from existing construction and civil engineering projects undertaken by the Group's other subsidiaries, Siab (M) and Siab Construction Sdn. Bhd. The losses were mainly attributable to:

(i) Impairment on trade receivables amounting to RM15.1 million;

(ii) Impairment on contract assets totalling RM8.1 million;

(iii) Impairment on property, plant and equipment of RM0.1 million; and

(iv) Operational losses arising from ongoing projects, primarily due to elevated construction material cost as well as defects and rectification cost incurred for completed projects.

In addition to the above, the Group recognised an amortisation charge of RM9.6 million for intangible assets, specifically the order book in hand from Siab's legacy projects.

As a result, at the consolidated Group level, Taghill recorded a GP of RM29.9 million, with a loss before tax of RM49.2 million and a loss after tax and non-controlling interests of RM55.6 million for FPE2025.

Moving forward, the Group remains committed to enhancing project execution and improving operational efficiency. The Group believes that the positive contributions from Taghill Projects will continue to play a critical role in contributing to the Group's financial turnaround and long-term recovery.

Capital Structure and Capital Resources

As at 31 May 2025, Taghill's total assets stood at RM691.8 million compared to RM160.3 million as at 31 December 2023 ("**FY2023**"). This was primarily due to increase in trade and other receivables, contract assets, property, plant and equipment as well as goodwill following the acquisition of Taghill Projects. The Group has cash and short-term deposits of RM71.5 million at the end of FPE2025, compared to RM18.9 million as at the end of FY2023.

Meanwhile, the Group's shareholders' equity rose to RM102.1 million from RM43.5 million as at the end of FY2023, mainly due to an increase in share capital arising from the corporate exercises undertaken during the financial period. Taghill's total liabilities stood at RM589.1 million as at 31 May 2025, vis-a-vis RM116.8 million as at 31 December 2023, largely due to higher trade and other payables and borrowings following the consolidation of Taghill Projects post acquisition. Total borrowings (excluding lease liabilities) amounted to RM212.3 million as at 31 May 2025, with 92.8% comprising short-term borrowings to support working capital requirements. The Group's net gearing ratio is at a manageable level of 1.4 times.

Balance Sheet Highlights as at 31 May 2025

Total Assets	Total Equity	Total Borrowings	Cash & Short-term Deposits	Net Gearing
RM 691.8 M	RM 102.7 M	RM 213.3 M	RM 71.5 M	1.4 X

Net Operating Cash Flow ("NOCF")

For FPE2025, the Group generated a positive NOCF of RM11.8 million, reflecting effective working capital management and its focus on improving operational efficiency.

ANTICIPATED RISKS

Rising Cost Pressures

The construction sector continues to operate in a high-cost environment. Alongside raw material price inflation, labour shortages, and rising operational expenses, recent policy shifts are putting further strains on profitability. These include increase in national minimum wage since February 2025, as well as 6% Service Tax scope expansion and revision in electricity tariffs effective July 2025, both of which are expected to raise operating costs. The upcoming mandatory 2% Employees' Provident Fund contribution for foreign workers along from October 2025, along with the anticipated introduction of carbon tax on the steel, iron, and energy sectors in 2026, are expected to compress margins as well. To mitigate these pressures, the Group is closely monitoring cost trends, engaging in proactive procurement planning and supplier negotiation, as well as incorporating revised cost structures into tender submissions.

Competitive Industry Landscape

The construction sector remains highly competitive, with both established industry players and new entrants actively competing for contracts. In this environment, maintaining a competitive edge is critical. Taghill Group leverages our proven track record, diversified client base, experienced leadership team, and tech-driven solutions – including our BIM capability – to enhance our service offerings and mitigate competitive pressures, thereby reinforcing our market position.

Economic Uncertainty

The construction industry is closely tied to broader economic conditions and is therefore sensitive to fluctuations in both domestic and global markets. Factors such as economic slowdowns, changes in government policies, trade tensions and geopolitical developments can affect demand for construction services. Such conditions may result in project delays, cancellations or scope reductions, impacting revenue and profitability. To address this, the Group diversifies its project portfolio across sectors and regions, in addition to expanding into property development to build a broader income stream.

DIVIDEND

The Board of Directors (the "**Board**") of Taghill has not recommended any dividend payment for FPE2025, given that the Group is currently in the process of executing its turnaround strategy to restore profitability. This enables us to conserve resources, reinforce our financial resilience and prioritise profitable investments.

FORGING AHEAD

Looking ahead, the operating backdrop is expected to remain mixed. While Malaysia's GDP growth and steady investment activity continue to support demand for new developments, industry players face continuing cost pressures on materials, labour, utilities and transportation. Meanwhile, the anticipated introduction of carbon tax on the steel, iron, and energy sectors in 2026 may also exert upward pressure on costs.

On a brighter note, the growth prospects for the local construction industry are positive. The recently launched 13th Malaysia Plan ("**13MP**"), with its sizeable RM430 billion development expenditure allocation, serves as a positive catalyst for the overall construction industry. The Government's emphasis on infrastructure development, urban connectivity, and sustainability-driven projects is expected to drive demand across multiple segments of the sector. The 13MP also emphasises the use of modern construction technology such as BIM, which is a capability that we have in-house. It is noteworthy to mention that since August 2024, the Government has mandated the use of BIM for all major construction projects valued at RM10 million and above.

In tandem with government-led initiatives, the sector is also expected to benefit from robust private investment, particularly in residential, commercial, and industrial buildings. Rising demand for quality housing, modern commercial spaces, and purpose-built industrial facilities - spurred by demographic growth, urbanisation trends, and Malaysia's push to attract high-value industries - underscores the need for reliable construction partners.

Against this backdrop, we remain steadfast in restoring profitability by strengthening project execution and exercising tighter cost discipline while leveraging new growth avenues in property development.

Our focus is on the disciplined delivery of our RM1.64 billion outstanding order book. At the same time, the Group is tendering for new contracts to replenish and expand our project pipeline, including extending our reach to other states in Malaysia, where we can tap into our established supplier networks and available manpower resources. To support these priorities, the Group will also continue to unlock the value of non-strategic assets through the divestment of non-core properties. In addition, we are pleased to share that Taghill Projects remains on track to fulfil the profit guarantee of PATAMI of RM24.0 million over a two-year period from 2024 to 2025.

Meanwhile, our entry into property development provides a new growth engine. Our maiden project, The Dawn @ Impression City Melaka is scheduled to commence construction in early 2026, with target completion in 2028. Over the longer term, the Group intends to progressively expand this segment, thereby broadening its earnings base and complementing the Group's core construction business.

All in all, the strategic initiatives undertaken in FPE2025 have laid important groundwork to revitalise the Group, creating a stronger platform for sustainable growth. With the efforts bearing fruits, the Group is now certainly moving forward on a firmer footing. While mindful of the evolving market landscape, we remain confident in our ability to navigate these headwinds as we focus on generating sustainable returns and returning to profitability in the fiscal year ahead.

APPRECIATION AND ACKNOWLEDGEMENT

As this is my first year serving as Group Managing Director, I would like to express my heartfelt appreciation to the management team and employees of Taghill Group. The commitment and perseverance of our people have been central to navigating this period of transition.

I am equally grateful to our Board for their guidance and to our stakeholders - including shareholders, customers, business partners, financiers, suppliers, and regulators - for their continued trust and support, which remain integral to the Group's journey forward. I am confident that, with unity, teamwork and purpose, we are building stronger foundations for a better tomorrow – together.

Wong Yih Ming
Group Managing Director

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

At Taghill Holdings Berhad ("**Taghill**" or the **"Company**") and its subsidiaries (collectively "**Taghill Group**" or the **"Group**"), sustainability continues to be an area of growing importance. The Group recognises that sustainability considerations are becoming increasingly relevant within the construction sector, especially in areas such as site safety and environmental compliance, among others. Growing expectations from clients, regulators and other stakeholders also highlight the need for clear structures and disclosures for sustainability matters.

During the 17-month reporting period, the Group underwent several key developments that reflect a broader phase of consolidation. This included the acquisition of Taghill Projects Sdn. Bhd. ("**Taghill Projects**") by the Company (formerly known as Siab Holdings Berhad), followed by a rebranding to Taghill Holdings Berhad. In line with this transition, the Group is concurrently undertaking efforts to progressively strengthen our internal structures for managing sustainability considerations across the organisation.

It is important to recognise the nature of the Group's businesses and the role we play in shaping the built environments and impacting communities. Taghill Group is a reputable construction services provider listed on the ACE Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), with a track record in delivering high-end commercial and mixed developments, high-rise offices and residences, industrial facilities, hypermarkets, as well as institutional buildings including hospitals.

Given the scale and complexity of our projects, we are mindful of the environmental and societal impacts arising from our business activities. As we continue on this journey, we strive to gradually embed sustainability considerations into how we plan and execute our projects.

Taghill's Sustainability Statement for FPE2025 ("**SS2025**") outlines our current sustainability approach and priorities, as well as efforts toward greater transparency in sustainability reporting.

Reporting Scope and Boundary

This SS2025 covers a 17-month reporting period from 1 January 2024 to 31 May 2025 ("**FPE2025**"), following a change in the financial year-end from 31 December 2024 to 31 May 2025. Unless otherwise stated, the information presented in this report encompasses the business operations and activities of Taghill and its wholly-owned subsidiaries in Malaysia.

Reporting Standards and Guidelines

This SS2025 has been prepared in accordance with the ACE Market Listing Requirements ("**AMLR**") of Bursa Securities, with reference to the Sustainability Reporting Guide (3rd Edition) and the Malaysian Code on Corporate Governance 2021. In addition, we have made reference to the International Financial Reporting Standards ("**IFRS**") S1 *General Requirements for Disclosure of Sustainability-related Financial Information* ("**S1**") and IFRS S2 *Climate-related Disclosures* ("**S2**"), as part of our preparation to meet the forthcoming disclosure requirements under the National Sustainability Reporting Framework ("**NSRF**").

Statement of Assurance

This statement has been reviewed and approved by Taghill's Board of Directors (the **"Board**") on 25 September 2025. All information and data disclosed in this SS2025 have been verified for accuracy by the respective data owners within the Group. At this juncture, the SS2025 has not been subjected to an assurance process by an independent assurance provider.

OUR APPROACH TO SUSTAINABILITY

At Taghill Group, we view sustainability as an ongoing effort to improve our practices and contribution. Guided by the Company's Sustainability Policy, we strive to make progress in integrating responsible environmental, social, and governance ("**ESG**") considerations into our operations. In doing so, we are committed to upholding the following sustainability principles:

SUSTAINABILITY PRINCIPLES

1. Engage actively and openly with our shareholders and stakeholders regarding the management of sustainability risk and identify opportunities for sustainable growth.
2. Exercise a precautionary approach, taking due care and diligence to evaluate, adopt and advocate measures that will prevent and minimise environmental harm as well as promote social equality and equality.
3. Proactively integrate economic, environmental and social considerations in our business decisions, including financing, investments, procurement and managing our people and operational impacts.
4. Create net positive impact, adopt an inclusive approach to our business relations and strive to positively influence the sustainability performance and commitment.
5. Recognise and be guided by internationally accepted standards and principles to promote responsible business.
6. Be guided by the high standards of Corporate Governance, Ethics and Integrity as well as fundamental principles of Human Rights.

To ensure the effectiveness of our sustainability-related initiatives, the Group has established a governance structure that supports the integration of sustainability practices across our operations, as outlined below.

TAGHILL GROUP'S SUSTAINABILITY GOVERNANCE STRUCTURE

Board of Director	The Board holds ultimate responsibility for overseeing the management of sustainability matters within the organisation.
Sustainability Working Group	The Sustainability Working Group ("**SWG**"), comprising employees appointed by management, is responsible for driving and managing the Group's sustainability initiatives. The SWG implements strategies, identifies risks and opportunities, sets performance indicators, and oversees data collection and reporting. It plays a key role in translating strategic direction into effective operational execution.
Operating Divisions	Operating Divisions consist of employees and staff dedicated to working within these specific divisions, executing sustainability initiatives at the operational level.

This governance structure is designed to:

- Ensure that sustainability and climate-related risks and opportunities are factored into key decision-making at the Board level;
- Incorporate sustainability principles into the overall business strategy; and
- Align sustainability performance indicators with the assessment of directors' and key senior management's performance.

STAKEHOLDER ENGAGEMENT

Stakeholder perspectives play a crucial role in understanding the wider impact of our operations. As such, we engage our key stakeholders through various platforms to gain insights into issues that matter most to them. These inputs help us develop strategies to address these topics. The table below outlines our key stakeholder groups, engagement methods and frequency of engagement, as well as their areas of interest.

Stakeholder Groups	Engagement Methods	Areas of Interest	Frequency
Investors / Shareholders	• General meetings • Annual report and audited financial statements • Quarterly financial results • Announcements to Bursa Securities • Public and media announcements • Company website	• Sustainable growth • Business and financial performance • Shareholders' value creation (capital gain and dividend)	• Annually • Quarterly • Ongoing
Customers	• Progress report meetings • Company website	• Project quality • Timely project delivery • Site safety compliance • Regulatory compliance	• Monthly • Ongoing
Employees	• Open face-to-face communication • Company events • Internal communication (e.g. emails, dialogues with Managing Director) • Bi-annual performance appraisals	• Occupational health, safety and well-being • Competitive remuneration • Career development and training opportunities	• Bi-annually • Ongoing
Board of Directors	• Board meetings and discussions • Company events	• Company direction and strategies • Financial performance • Risk management • Regulatory compliance • Sustainability initiatives	• Annually • Quarterly • Ongoing
Subcontractors and suppliers	• Progress report meetings • Performance feedback and annual evaluation • Company website	• Fair and transparent procurement practices • Quality work and ethical practices • Timely payment and business continuity	• Annually • Monthly • Ongoing
Regulatory Bodies / Government Agencies	• Site inspections • Statutory reporting • Compliance audits • Company website	• Regulatory compliance • Occupational safety and health	• Annually • Ad-hoc
Community	• Corporate Social Responsibility programmes • Company website	• Employment opportunities • Health and safety • ESG awareness and initiatives	• Annually • Ongoing

Key Stakeholder Groups

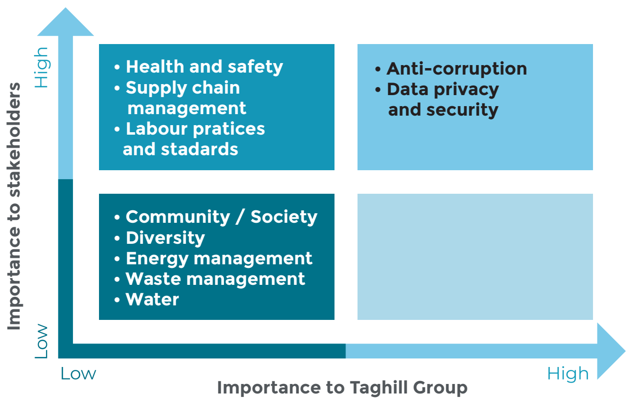
MATERIALITY ASSESSMENT

Materiality plays a crucial role in defining our sustainability strategy, ensuring we prioritise the most relevant matters that can influence our business and stakeholders. By aligning our assessment methodology with Bursa Securities' enhanced sustainability reporting requirements and industry best practices, we have systematically identified and prioritised key ESG issues.

Our materiality assessment comprises three distinct phases:

PHASE 1	PHASE 2	PHASE 3
Identification of sustainability matters	**Prioritisation of material sustainability matters**	**Review and validation of process and outcome**
Gain an understanding of the Group's unique operating context to identify relevant internal and external sustainability issues that could impact business goals. Engage with key stakeholders to understand their needs and expectations regarding sustainability. Based on this, create a preliminary list of material sustainability matters.	Assess the materiality of sustainability matters by evaluating the significance of their economic, environmental, and social impacts, as well as their influence on stakeholder decisions. Disclose the prioritised sustainability matters, indicating the relative importance of each issue.	Submit the results of the materiality assessment for validation and approval. Establish a process to review the materiality assessment. Conduct the materiality assessment on sustainability matters at least annually.

In FPE2025, we maintained the 10 material sustainability matters previously identified in FY2023 as they are still deemed relevant with the current operating landscape. These matters are illustrated in the materiality matrix below.



Taghill Group's Materiality Matrix

Moving forward, we intend to progressively align our materiality assessment process and sustainability disclosures with the IFRS S1 and S2 reporting standards, in line with Bursa Securities' AMLR.

GOVERNANCE

CORPORATE GOVERNANCE AND ETHICAL BEHAVIOUR

At Taghill Group, strong corporate governance and ethical conduct are foundational to how we operate. A clear governance framework, including robust internal controls and a disciplined risk management approach, supports our business integrity and protects stakeholder interests.

The Board sets the tone from the top, providing oversight on the Group's ethical and compliance standards. Supported by its Board Committees, the Board embeds governance principles into strategic decision-making and operational practices.

Reinforcing this framework, the Group has established key policies to uphold high standards of conduct.

KEY POLICIES AT TAGHILL

- Code of Conduct and Ethics for Directors
- Remuneration Policy
- Whistle Blowing Policy
- Fit & Proper Policy
- Anti-Bribery and Corruption Policy
- Quality, Health & Safety and Environmental Policy
- Board Charter

We conduct annual risk assessments to address key operational risks and ensure adherence to relevant laws and regulations to maintain our license to operate. This includes compliance with key legislation, such as, but not limited to:

1. Capital Markets and Services Act 2007
2. Companies Act 2016
3. Personal Data Protection Act 2010
4. Employment Act 1955 (Amendment 2022)
5. Environmental Quality Act 1974
6. Occupational Safety and Health Act 1994

Code of Conduct and Ethics for Directors

The Code of Conduct and Ethics for Directors (the **"Code"**) outlines expectations for integrity, impartiality, and legal compliance, including disclosure of conflicts of interest. The Code provides fundamental principles and professional standards for the Board's conduct to ensure that leadership decisions reflect the Group's values and comply with legal obligations.

Anti-Bribery and Corruption Policy

Our Anti-Bribery and Corruption Policy ("**ABC**") Policy, which applies to all directors, employees, and business partners, emphasises our zero-tolerance stance on bribery and corruption. This policy, aligned with the Malaysian Anti-Corruption Commission ("**MACC**") Act 2009 and its amendments, strictly prohibits any form of bribery, facilitation payments, and improper advantages. To uphold transparency, all parties are required to disclose any potential undue benefits offered or received during business dealings.

CORRUPTION AND MALPRACTICES INCLUDE

1. Bribery and corruption
2. Gratification
3. Facilitation payments
4. Political donations and contribution
5. Account for secret profits or gains
6. Gift policy
7. Disclosure of payments to third parties
8. Giving a disclosure undue advantage to third parties
9. Conflict of interest

In support of this policy, the Group is enhancing employee awareness of anti-corruption measures through targeted programmes planned for implementation in our financial year ending 31 May 2026 ("**FY2026**"). Consistent with our corporate values, we continue to review our governance practices and ethical standards to remain aligned with national legislation and international best practices.

ZERO
Cases of Policy Breaches or Corruption

During FPE2025, the Group recorded zero (0) confirmed incidents of corruption or bribery.

Whistle Blowing Policy and Procedures

The Whistle Blowing Policy provides a confidential and transparent process for reporting misconduct, safeguarding whistleblowers from retaliation or victimisation. This encourages our stakeholders to report any suspected misconduct or wrongdoing without fear. The policy covers a wide range of concerns, including fraud, bribery, financial improprieties, abuse of authority, or threats to health, safety, and human rights, among others.

Whistle Blowing Reporting Procedures

Report
Stakeholders can report concerns by submitting a written disclosure via emailed to the ARMC Chairman at ARMC@taghill.my

Investigation
The ARMC Chairman will assess the matter and determine if it should be escalated to Management, the Board, or relevant authorities, based on the seriousness of the issue.

Action
The ARMC Chairman may engage external experts and determine appropriate actions. This may include disciplinary measures, formal warning or reprimand, demotion, suspension or termination of employment or services or monetary or other forms of punishment.

All reports are treated with utmost confidentiality. Anonymity is maintained throughout the reporting, investigation, and post-investigation phases

Our governance policies are reviewed periodically to remain aligned with evolving regulatory requirements and stakeholder expectations. Through these measures, Taghill Group continues to uphold a culture of ethical accountability across the organisation. During FPE2025, there were zero (0) cases of whistleblowing reported.

Membership of Associations

Taghill is a member of several industry associations, including the Master Builders Association Malaysia ("**MBAM**") and the Malaysian Employers Federation ("**MEF**"). These affiliations allow the Group to contribute to industry-wide progress and stay informed on labour regulations as well as construction best practices.

QUALITY AND SAFETY OF PROJECTS

We believe that every structure we build carries a lasting impact, shaping communities and transforming the urban landscape. This belief places safety and quality at the heart of our work. From initial design to completion, we apply stringent quality assurance and safety protocols, ensuring construction excellence, long-term durability, and the well-being of all who live and work in our projects.

Quality Management System

At Taghill Group, quality management is applied across all projects, with formal systems anchored in our subsidiary, Taghill Projects, which operates under a Quality, Health, Safety and Environmental ("**QHSE**") Policy. This policy sets out procedures for quality assurance and control across all project phases, supported by the Company's IMS that incorporates quality, environmental, and safety standards to ensure operational consistency. This system is backed by internationally recognised certifications:

- **ISO 9001:2015** (Quality Management System)
- **ISO 45001:2018** (Occupational Health and Safety Management Systems)
- **ISO 14001:2015** (Environmental Management System)

These certifications provide a robust framework for planning, execution, and continuous improvement to ensure our projects are delivered in line with client specifications, regulatory requirements, and recognised industry standards. We conduct regular internal audits, project reviews, and site inspections to maintain high levels of workmanship and identify opportunities for improvement.

Quality Performance

The Group's construction subsidiaries, Taghill Projects and Siab (M) Sdn. Bhd., are both registered as Construction Industry Development Board ("**CIDB**") G7 contractors, the highest classification awarded by CIDB Malaysia. This status qualifies us to undertake major construction projects of unlimited value, and demonstrates our technical capacity and track record in delivering large-scale and complex construction works.

We align our practices with CIDB Malaysia's guidelines and benchmark workmanship through the Quality Assessment System in Construction ("**QLASSIC**"), a recognised scoring system developed by CIDB Malaysia. QLASSIC provides independent verification that our completed projects meet defined quality standards, covering aspects such as structural works, architectural finishes, and mechanical and electrical installations.

Our QLASSIC scores of over 70% attest to the quality and attention to detail embedded in our construction practices. Several of our projects, namely The Arcuz in Kelana Jaya, and The Valley Residences, SkySierra in Setiawangsa, achieved the second-highest QLASSIC scores in Malaysia, underscoring our commitment to excellence in workmanship. To maintain this standard, we invest in system upgrades, streamline processes, and prioritise continuous training for our workforce.

	Project	QLASSIC Scores
1.	The Arcuz, Kelana Jaya, Selangor	86%
2.	The Valley Residences, SkySierra, Setiawangsa, Kuala Lumpur	86%
3.	Rosewoodz, Bukit Jalil, Kuala Lumpur	83%
4.	22 Macalisterz, George Town, Pulau Pinang	83%
5.	Arunya Residence, Segambut, Kuala Lumpur	82%
6.	Nidoz Residences, Desa Petaling, Kuala Lum-pur	79%
7.	Expressionz Suite, Jalan Tun Razak, Kuala Lumpur	73%
8.	Ceylonz Suite, Bukit Ceylon, Kuala Lumpur	70%
9.	Perumahan Penjawat Awam Malaysia (PPAM), Putrajaya	70%

Safety in Construction

Safety is managed through adherence to the QHSE Policy that applies to our worksites and facilities. This policy guides us in preventing workplace incidents, complying with relevant legislation, and minimising environmental impacts. In accordance with this policy, we set safety and environmental objectives and monitor progress on a periodic basis. We also engage our workforce in targeted initiatives that strengthen safety performance and promote responsible resource use across our project sites.

While the QHSE Policy currently governs Taghill Projects' construction operations, the Group is in the process of developing a consolidated, group-wide QHSE framework to ensure consistent safety and environmental standards across all business units moving forward.

Advancing Technology

At Taghill Group, we leverage digital tools such as Building Information Modelling ("**BIM**") for precision planning and resource optimisation. This in-house capability helps reduce material waste, avoid costly delays, and deliver projects on time, within budget, and to the highest quality standards.

Sustainable Construction

Sustainability is embedded alongside quality and safety in our delivery approach. Several of our key projects have achieved GreenRE certification, a leading green building rating system in Malaysia. This underscores Taghill Group's ability to integrate energy efficiency, resource optimisation, and environmental responsibility into project design and execution.

	Project	Certification	
1.	The Fiddlewoodz, KL Metropolis, Kuala Lumpur	GreenRE Silver	-
2.	Amaya Residences, Bandar Sri Damansara, Kuala Lumpur	GreenRE Silver	-
3.	Sea Crestz, Kuantan Waterfront Resort City, Pahang	GreenRE Bronze	-

Artist Impression of The Fiddlewoodz, KL Metropolis, Kuala Lumpur – awarded GreenRE (Silver)

SUPPLY CHAIN MANAGEMENT

A responsible and resilient supply chain is vital to sustainable growth. By securing the right resources at the right time and cost, we enhance operational efficiency, while responsible sourcing extends our sustainability impact across projects and the broader industry.

Taghill Group works with a network of subcontractors, suppliers, and service providers whose expertise and reliability are essential to delivering on our commitments to clients and stakeholders. All subcontractors and suppliers are selected through a fair and transparent procurement process that evaluates on price competitiveness, technical capability, track record, financial stability, and compliance with statutory requirements.

To uphold supply chain accountability, we enforce minimum standards across subcontractor agreements. These cover requirements on environmental, health, and safety ("**EHS**") compliance, along with mandatory adherence to our ABC Policy.

We prioritise local procurement as it allows us to reduce costs, lower our carbon footprint, and support the communities we serve. In FPE2025, we maintained a 100% local supplier base with 100% of our procurement spending directed towards them as well.

100%
Local Procurement Spending

Our local procurement covered both essential building materials such as cement, concrete, steel bars, plywood, bricks and aluminium - as well as construction systems like scaffolds and formworks.

DATA PRIVACY AND SECURITY

Taghill handles a significant volume of personal and confidential information, making data privacy and security a critical responsibility. To safeguard this information, we comply with the Personal Data Protection Act ("**PDPA**") 2010, which governs the collection, processing, usage, and storage of data.

Internally, we implement cybersecurity measures such as anti-virus software and firewalls, with plans to upgrade our infrastructure through a firewall migration to further enhance network protection. To promote accountability, all employees are required to sign a compliance form acknowledging their obligations under the Group's data protection guidelines. A confidentiality clause is also embedded in employment contracts to reinforce this responsibility.

ZERO
Cases of Data Breaches or Substantiated Complaints Related to Customer Privacy

In FPE2025, Taghill recorded zero (0) cases of data breaches or substantiated complaints related to customer privacy.

ENVIRONMENTAL

COMPLIANCE WITH ENVIRONMENTAL LAWS

Given the nature of our business, which involves the physical transformation of land, minimising our ecological impact is pivotal to ensuring responsible growth and sustainability. We understand that weak environmental practices can lead to long-term adverse consequences for local communities, project viability, and industry reputation. Mindful of these potential risks, we embed environmental stewardship into our operations through robust operational controls, while fostering awareness across the organisation.

Taghill Group's environmental objectives are anchored in 3 key principles. These principles are instilled into daily operations through automation, process engineering, and strategic resource planning. These measures allow us to reduce material waste, optimise energy use, and enhance overall construction efficiency.

Performance Enhancement
We seek to enhance our environmental performance by adopting monitoring mechanisms and setting improvement targets for aspects that are material to our operations.

Sustainable Decision-Making
We integrate environmental considerations and impacts into our decision-making processes and daily activities.

Workforce Awareness
We foster environmental awareness among our employees by encouraging their participation in our sustainability initiatives.

During FPE2025, the Group upheld compliance with all applicable environmental laws and regulations, including the Environmental Quality Act 1974, and ensured that site activities were conducted within approved environmental parameters.

This commitment is reinforced through the Company's IMS, which incorporates ISO 14001:2015 Environmental Management System standards.

ZERO
Cases of Environmental Non-Compliance in FPE2025

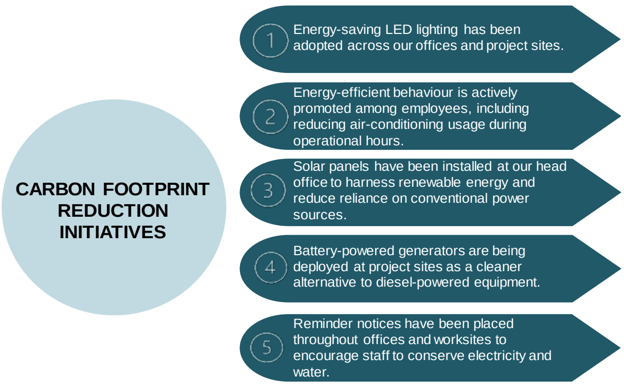
CLIMATE CHANGE AND ENERGY MANAGEMENT

Climate change presents one of the most defining challenges of our time, with far-reaching impacts on economies, industries, and communities. We are cognisant that the construction sector is a major contributor to carbon emissions, both directly through energy required to power machinery and equipment, and indirectly through the manufacturing of materials such as cement and steel, as well as the transportation and on-site activities involved in project delivery.

As a player in this sector, we recognise our responsibility to help curb climate change. We support Malaysia's climate action agenda, which targets achieving net-zero greenhouse gas ("**GHG**") emissions by 2050. In line with this, we strive to manage our energy use efficiently and reduce our carbon footprint where operationally feasible.

This begins with the tracking of energy consumption at our offices and construction sites. Electricity is primarily drawn from the national grid to power office facilities and site operations, while diesel is used for machinery and equipment at construction sites. We track consumption from these sources to better understand usage patterns and identify opportunities for efficiency improvements.

To address this, we implement a range of measures to improve energy efficiency and lower emissions as illustrated below.



As part of our broader environmental agenda, we also contribute to climate action through some of our projects that incorporate sustainable design principles and pursue environmental certifications such as GreenRE.

As we progress, we seek to enhance our energy efficiency measures while exploring lower-carbon alternatives for site operations. At the same time, we are working to strengthen our data collection on GHG emissions to support the setting of measurable reduction targets.

WATER MANAGEMENT

Water is an essential resource in construction activities, particularly for concrete mixing, curing, site cleaning, and dust suppression. While our construction sites are not located in water-stressed areas, we acknowledge the importance of managing water responsibly to minimise wastage, reduce costs, and minimise environmental impact.

Water for our operations is sourced primarily from the municipal supply, supplemented by groundwater, and, where feasible, rainwater harvesting systems at selected sites. We monitor water consumption across our offices and construction sites by recording and analysing usage trends. Conservation efforts involve reusing harvested rainwater for applications such as tyre washing, reducing reliance on potable water.

Site Controls and Compliance

To manage stormwater runoff from construction sites and minimise site-level impacts, the Group has put in place a range of control measures. Temporary earth drains channel runoff in a controlled manner to prevent uncontrolled flows, while bathing tanks and interlocking pavers help slow water movement and reduce erosion potential. Silt traps are installed to capture suspended solids before water is discharged. In addition, we put in place soil erosion and sediment control measures such as slope protection, silt fences, and sediment barriers around the site perimeter to protect soil integrity and preserve the surrounding environment. These solutions ensure that stormwater is managed throughout the construction cycle.

Meanwhile, routine inspections and water monitoring are conducted to ensure compliance with environmental regulations and internal standards. These practices not only safeguard natural water systems, but also contribute to the overall efficiency of our operations.

WASTE AND MATERIALS MANAGEMENT

The Group commits to using materials efficiently and managing waste in an environmentally responsible and legally compliant manner. Effective stewardship of resources, from procurement through to end-of-life disposal, helps reduce environmental impact, improve operational efficiency, as well as maintain safe, organised worksites.

We handle all waste in compliance with local environmental laws such as Malaysia's Environmental Quality Act 1974, and the Environmental Quality (Scheduled Wastes) Regulations 2005. Our waste management approach is guided by the principles of reduce, reuse, and recycle ("**3R**"), with structured practices across the project lifecycle, from waste generation and on-site segregation, to secure storage, recycling, and final disposal.

Reduce

A key priority is to reduce waste before it occurs by using materials efficiently and planning with precision. This begins with careful procurement strategies, including detailed quantity take-offs and just-in-time delivery scheduling, to ensure materials arrive as needed, avoiding damage or spoilage from long storage.

Material selection is equally important in preventing waste at source. We prioritise materials that are durable, reusable, and recyclable to reduce wastage and extend the lifecycle of resources. The most commonly used materials in our operations include plywood, timber, steel bars, British Reinforced Concrete ("**BRC**"), concrete, cement, bricks, and sand, among others. Construction inputs are selected based on their durability and maintenance profiles, helping to minimise the need for frequent replacement. For example, we have replaced traditional timber formwork with reusable aluminium formwork systems, significantly cutting down timber use and construction waste due to the extended lifespan of metal forms.

We also apply design optimisation and leverage digital tools like BIM during the design and planning stages to optimise material usage. High-precision BIM planning reduces over-ordering and design errors, thereby lowering off-cuts and unused materials on site.

Reuse

Wherever possible, materials and components are redeployed to extend their useful life. We encourage the redeployment of construction materials across multiple project phases to make sure that items are used to their maximum potential before being discarded. For example, temporary works such as formwork panels, scaffolding and support structures are used repeatedly across different stages or projects, rather than single-use. This method is reinforced by choosing construction materials that can withstand such repeated use without degradation. Through these reuse initiatives, we lower the volume of waste sent for disposal and optimise the value extracted from each material procured.

Recycle

Recycling is central to our waste strategy, and it begins with proper categorisation and segregation. Waste is classified into construction waste, hazardous waste, and domestic waste. Designated bins are provided for different waste streams, with recyclable materials separated for collection by licensed contractors. Meanwhile, hazardous waste is stored securely in designated areas before being disposed of by service providers approved by the Department of Environment ("**DOE**").

Any waste that cannot be reused or recycled is disposed of in a safe and lawful manner, with only licensed waste contractors engaged to transport residual to approved treatment or disposal facilities, in accordance with regulatory requirements.

To strengthen best practices and regulatory compliance, training and awareness sessions are conducted for employees and subcontractors. This approach empowers our workforce and partners with the knowledge to integrate waste minimisation principles into daily practices. Through ongoing training and communication, we foster a strong compliance culture and a shared sense of accountability in managing waste responsibly.

SOCIAL

LABOUR PRACTICES AND HUMAN RIGHTS

People are at the heart of the construction industry - from the engineers and project managers who design and plan, to the skilled workers who bring each structure to life. The scale and complexity of our projects mean that our workforce plays a central role in delivering quality, safety, and innovation. With this reliance on people comes the responsibility to uphold fair labour practices and respect human rights across our operations.

In fulfilling this responsibility, we safeguard the fundamental rights of every individual in our workforce by cultivating a fair, ethical, and inclusive working environment. This includes adherence to fundamental principles outlined by the Human Rights Commission of Malaysia ("**SUHAKAM**"), and compliance with Malaysian labour laws, such as the Employment Act 1955 (Amendment 2022) and Minimum Wages Order 2024, which govern working conditions, wages, and hours, among others.

These standards are formalised in the Group's Employee Handbook, which serves as a key reference point outlining the rights and responsibilities of all staff. The handbook also sets out the Group's Code of Conduct, outlining expected workplace behaviours, ethical standards, safety responsibilities, and the proper handling of company resources and information.

At Taghill Group, we maintain a zero-tolerance policy towards unethical practices, including but not limited to discrimination, forced labour, and child labour. Clear grievance channels are in place to allow employees to raise concerns confidentially, without fear of retaliation. These commitments are reinforced through induction programmes for new hires, ongoing training, and policy reviews to ensure alignment with evolving legal requirements and international human rights standards.

In FPE2025, Taghill Group reported zero (0) incidents of non-compliance with labour laws, and zero (0) substantiated complaints concerning human rights violations.

DIVERSITY AND EQUAL EMPLOYMENT OPPORTUNITY

We believe a diverse workforce drives innovation and strengthens our ability to adapt to the evolving needs of the construction industry. Differences in backgrounds, experiences, and perspectives allow us to approach challenges from multiple angles and deliver better outcomes for our clients.

The construction sector has historically been male-dominated, particularly in site-based roles. While this highlights broader industry trends, we see it as an opportunity to broaden our talent base and strengthen our capabilities. The Group is committed to providing equal employment opportunities, from recruitment and development to promotion and retention. Employment decisions are based on merit, qualifications, competence, and business needs, without regard to race, religion, gender, age, marital status, disability, or any other characteristic protected under Malaysian law.

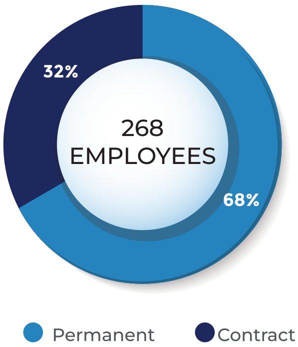
Workforce Composition

As of 31 May 2025, Taghill's total workforce stood at 268 employees, representing a diverse range of skills, experiences, and backgrounds.

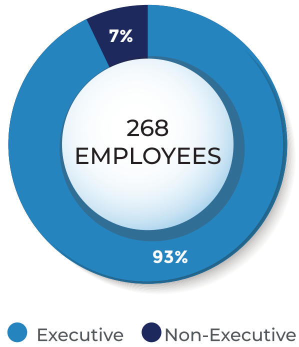
Women make up 27% of our workforce, while men account for 73%, reflecting the broader gender profile of the construction industry.

Meanwhile, 45% of our employees fall within the 31- to 50-year-old age range, affirming a healthy mix of seasoned professionals and supporting a steady talent pipeline for future leadership.

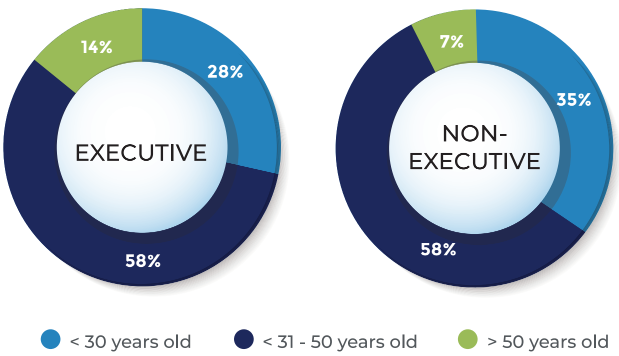
EMPLOYEES BY EMPLOYMENT TYPE



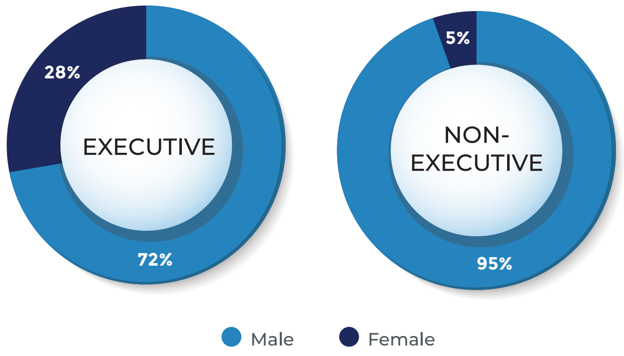
EMPLOYEES BY EMPLOYEE CATEGORY



AGE BY EMPLOYEE CATEGORY



GENDER BY EMPLOYEE CATEGORY

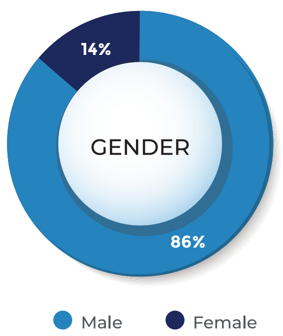


In terms of workforce movement, the Group recorded 36 employee turnover in FPE2025, comprising 31 from Executive roles and 5 from Non-Executive functions. The higher turnover among Executives is attributed to project-based contracts and natural career progression, which are common in the construction sector. Monitoring such trends allows us to refine retention strategies and support continuity in key roles.

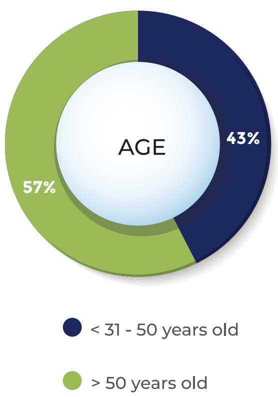
Board Composition

Taghill's Board consists of seven experienced and capable professionals who bring strong leadership, industry expertise, and strategic oversight to the Group.

DIRECTORS BY GENDER



DIRECTORS BY AGE



TALENT MANAGEMENT

The strength of Taghill Group lies in the people who plan, manage, and deliver our projects. Skilled and engaged employees are essential not only for meeting project timelines and quality standards, but also for driving innovation and adaptability in a competitive industry.

We take a structured approach to attracting, developing, and retaining talent. Recruitment is conducted through open and transparent processes, with candidates assessed based on qualifications, skills, and organisational fit.

Training and Development

We invest in our workforce, equipping them with the tools and opportunities they need to succeed, while building organisational resilience for the long term.

Once hired, employees undergo mandatory induction to align them with company standards on conduct, safety, and procedures. Furthermore, employees are supported through ongoing skills development and learning. We offer on-the-job training, skills-based courses, mentoring, and sponsorships for external certifications or further education to build a well-rounded talent base. Training needs are identified between supervisors and team members during bi-annual performance appraisals, ensuring relevance and impact.

During FPE2025, we conducted 43 training programmes with a total investment of RM203,342 in employee development. These efforts resulted in 146 recorded training hours.

The training programmes covered key areas such as safety and health, technical skills, compliance and standards, leadership, and finance, to name a few. Each session was customised to strengthen core capabilities from enhancing site safety and operational efficiency to developing leadership potential and ensuring regulatory alignment. This makes sure our workforce remains agile, competent, and aligned with industry best practices.

Employee Welfare and Benefits

We provide fair and competitive compensation aligned with industry benchmarks and legal requirements, including the Minimum Wages Order 2024. Employees are entitled to statutory leave benefits, including annual, medical, maternity, and paternity leave, as well as other entitlements outlined in the Employee Handbook. Health and insurance coverage, along with allowances, further support the well-being of our workforce. Statutory contributions are made to the Employees Provident Fund ("**EPF**") and the Social Security Organisation ("**SOCSO**") to safeguard employees' long-term welfare.

Employee Benefits

Medical

- Medical Benefit
- Medical Check-up
- Dental Benefit
- Group Insurance Coverage

Leaves

- Federal and State Public Holidays
- Annual leave
- Sick and Hospitalisation Leave
- Maternity Leave
- Paternity Leave
- Compassionate Leave
- Marriage Leave

Additional Perks

- Baby Gift
- Compassionate Gift
- Marriage Gift
- Petrol/Phone Allowance
- Temporary Relocation Allowance
- Staff Incentive
- Annual Leave Encashment

Compensation

- Toll/Parking Claim
- Entertainment/Refreshment Expenses Claim
- Accommodation Expenses Claim
- Other Items for Staff Claim
  - IT accessories
  - Stationery/pantry items
  - Safety shoes

Water Rafting Activity

Regular performance discussions provide a platform to acknowledge employee contributions, identify growth opportunities, and shape career progression pathways. These evaluations also feed into our succession planning process, ensuring we maintain a strong talent pipeline for critical roles across the Group.

Beyond this, we foster employee engagement by celebrating cultural events such as Chinese New Year and Hari Raya Aidilfitri, and hosting annual dinners to acknowledge employee contributions.

Chinese New Year 2025 Celebration

Iftar 2025 Gathering

OCCUPATIONAL SAFETY AND HEALTH

The construction sector involves high-risk activities, making occupational safety and health ("**OSH**") critical for protecting our workforce, safeguarding the public, and ensuring smooth project delivery. Maintaining safe worksites not only prevents incidents, but also builds trust with clients, regulators, and the communities in which we operate.

At Taghill Group, OSH is managed in accordance with applicable laws, including the Occupational Safety and Health Act 1994 (Act 514), regulations and orders set by the Department of Occupational Safety and Health ("**DOSH**").

Workplace safety is a core value across the Group, and this commitment is embedded in a framework of safety policies and procedures applied throughout our operations, with Taghill Projects, our key construction subsidiary, serving as a benchmark in implementation standards.

At Taghill Projects, safety management is anchored by the QHSE Policy, which commits to legal compliance, proactive hazard control, adequate training, and integrated environmental responsibility into safety practices.

Our OSH Management System is certified to global standards, namely ISO 45001:2018, and our efforts have been recognised through a five-star rating under Malaysia's Safety and Health Assessment System in Construction ("**SHASSIC**") framework. Notably, our project, The Valley Residences, SkySierra in Setiawangsa, Kuala Lumpur, achieved Malaysia's highest SHASSIC score to date – 92.63% awarded by the Construction Research Institute of Malaysia ("**CREAM**").

To further reinforce our safety systems, our project-level safety systems include the Stop Work Policy, granting employees the authority to halt work immediately if unsafe conditions arise, and our Drugs and Alcohol Policy prohibits individuals from working under the influence.

Safety oversight is ensured through the Safety and Health Committee ("**SHC**"), established in accordance with the OSH (Safety and Health Committee) Regulations 1996.

Meanwhile, risk management is embedded from the outset of each project. Before construction starts, our teams carry out thorough briefings and risk assessments to pre-empt potential hazards. This entails Hazard Identification, Risk Assessment and Risk Control ("**HIRARC**") exercises, Environmental Impact Assessment ("**EIA**") requirement briefings, and on-site inductions covering all relevant Standard Operating Procedures ("**SOPs**"). We also monitor ambient noise to minimise disruptions and ensure compliance with environmental standards.

CORE FUNCTIONS OF SHC

- Assist in the development of safety and health rules and safe system of work.
- Review the effectiveness of safety and health programmes.
- Study trends of accidents, near misses, and occupational hazards at the workplace, and report unsafe conditions or practices to the employer with recommended corrective measures.
- Review workplace safety and health policies and recommend revisions to the employer where necessary.

While these systems are currently applied at the project level at Taghill Projects, they provide the foundation for a unified Group-wide OSH framework that will ensure consistent safety standards across all operations in the future.

OSH Performance

In FPE2025, Taghill Group maintained an incident-free record, with no Lost Time Injuries ("**LTI**") or work-related fatalities, achieving a Lost Time Injury Frequency Rate ("**LTIFR**") of zero (0). Throughout the period, we conducted 163 safety-related programmes, engaging 4,554 employees and subcontractors.

ZERO
Fatalities in FPE2025

ZERO
Loss Time Injury In FPE2025

COMMUNITY ENGAGEMENT

Our approach to community development is grounded in the belief that the success of our projects is closely tied to the well-being of the communities around them. As a construction group, our developments often shape the physical and social landscape for years to come.

One of the most direct ways we support communities is by creating employment opportunities for local talent. Where possible, we prioritise hiring from the surrounding areas of our project sites. This approach strengthens our connection with the local community, and also enables workers to contribute to projects that directly impact their neighbourhoods.

We also extend our community impact through our supply chain. In FPE2025, 100% of our procurement spending was directed to Malaysian-based suppliers. By working with local suppliers and subcontractors, we help sustain domestic industries, create indirect employment, and shorten delivery distances, further reducing the carbon footprint of our operations.

In addition, our projects often bring long-term benefits to communities, such as improved infrastructure, enhanced urban spaces, and safer, better-quality buildings. These developments contribute to local growth and enhance the quality of life for residents and businesses.

Moving forward, we aim to explore more structured ways to engage with local communities through Corporate Social Responsibility ("**CSR**") initiatives.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board of Directors (the "**Board**") of Taghill Holdings Berhad ("**Taghill**" or the "**Company**") and its subsidiaries ("**Taghill Group**" or the "**Group**") recognises the significance of adopting sound corporate governance practices across the Group as a fundamental responsibility in safeguarding and enhancing shareholder value and stakeholder interests. Corporate governance serves as the foundation of the Group's operations and guides its decision-making processes by aligning with the recommendations outlined in the Malaysian Code on Corporate Governance ("**MCCG**").

The Board is delighted to present this Corporate Governance Overview Statement ("**CG Statement**"), which provides an overview of the Board's key initiatives and commitments to promote good corporate governance throughout the Group during the financial period ended 31 May 2025 ("**FPE2025**"). This CG Statement offers a concise overview of the application of the following three (3) key corporate governance principles set out in the MCCG:

Principal A: Board Leadership and Effectiveness

Principal B: Effective Audit and Risk Management

Principal C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

This CG Statement is prepared pursuant to Rule 15.25 of the ACE Market Listing Requirements ("**AMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). Shareholders are encouraged to read this CG Statement alongside with the Company's Corporate Governance Report 2025 ("**CG Report**") which provides detailed disclosures on the implementation of each corporate governance practice during FPE2025 is reported separately in the CG Report, which is available on the Company's website at www.taghill.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Part 1: Board Responsibilities

1) Board Roles and Responsibilities

The Board is mindful of its responsibilities in leading and determining the strategic direction and overseeing the overall management of Taghill Group. It aims to provide an effective oversight of the conduct of Taghill Group's businesses, while ensuring that appropriate risk management and internal control systems are in place as well as regularly reviewing such systems to ensure their adequacy, integrity and effectiveness. The Board takes into consideration the interests of all stakeholders in their decision-making so as to ensure Taghill Group's objective of creating long-term shareholder value is met.

The Board is guided by a Board Charter. Pursuant to AMLR of Bursa Securities and MCCG, the Board has on 26 June 2021 approved the Board Charter and noted that the Board Charter is in line with both MCCG and AMLR of Bursa Securities. The Board Charter sets out the Board's strategic intent and outlines the roles and responsibilities of the Board and its committees, individual Directors and the Chairman as well as the respective meetings' requirements. The Board Charter is subject to review as and when necessary and it is available on the Company's website at www.taghill.my.

To assist the Board in discharging its oversight function, the Board has delegated specific responsibilities to the following Board Committees:

- Audit and Risk Management Committee ("**ARMC**")
- Nomination Committee ("**NC**")
- Remuneration Committee ("**RC**")

To enhance the Board's efficiency and effectiveness, the Board has delegated certain responsibilities and authorities to three (3) Board Committees, namely ARMC, NC and RC. Each Board Committee operates within the powers delegated by the Board, as clearly defined in their respective Terms of Reference ("**TOR**"). The TOR of each Board Committee is available on the Company's website at www.taghill.my.

The Independent Non-Executive Chairman, Tan Sri Dato' Sri Mohamad Fuzi Bin Harun provides overall leadership to the Board by fostering a culture of good governance, facilitating balanced discussions and ensuring informed decision-making. The Board Chairman is not involved in the Group's daily business operations and has no other relationships that could materially impair his objectivity, judgement or independence.

2) Separation of Functions Between the Chairman and the Group Managing Director

The Board Charter has established clear roles and responsibilities of the Board in discharging its fiduciary and leadership functions. The roles of the Chairman and the Group Managing Director ("**GMD**") are distinct and separated to engender accountability, such that no one individual has unfettered powers of decision making. The segregation of roles also facilitates a healthy open, exchange of views between the Board and management in their deliberation of the business, strategic aims and key activities of Taghill Group.

The Chairman's role is currently held by Tan Sri Dato' Sri Mohamad Fuzi Bin Harun, whilst Mr. Wong Yih Ming is the GMD of the Company.

The Chairman is primarily responsible for ensuring the effective functioning of the Board and leading the Board in its collective oversight of management by focusing on strategy, governance, and compliance. The Chairman also ensures all Executive and Non-Executive Directors have unrestricted and timely access to all relevant information necessary for informed decision-making. The Chairman encourages active participation and deliberation by Board members in the Board meetings, to tap the wisdom of all Board members and promotes consensus building.

The GMD was appointed by the Board and is responsible for the day-to-day management of Taghill Group's operations and business as well as implementation of business plans and strategies, policies and decisions approved by the Board. The GMD is supported by the Executive Directors and key senior management team which are tasked to oversee key operating areas. The GMD develops and implements the strategic goals of Taghill Group as well as assesses any potential business opportunities.

The Executive Directors and key senior management team, led by the GMD, are accountable for the conduct and performance of the business within the agreed business strategies. The GMD is involved in leading and overseeing the day-to-day operations and management within its assigned responsibilities.

3) Board Meetings

The Board meets regularly, at least once in every quarter, to review the Group's results and to approve quarterly reports and annual financial statements. Additional or special Board meetings may be convened as and when necessary to consider and deliberate on any urgent proposals or matters which requires the Board's expeditious review or consideration. All Board approvals sought are supported with all the relevant information and explanations required for informed decisions to be made.

To facilitate productive and meaningful deliberations, the proceedings of the Board meetings are conducted in accordance with a structured agenda with the supply of complete and timely information to enable the Board to discharge their responsibilities effectively and for them to make informed decisions. The proceedings of all Board meetings are recorded by the Company Secretary and filed properly in the minute's book of the Company upon confirmation by the Board.

In the intervals between Board meetings, any matters requiring urgent Board decisions and/or approvals will be sought via circular resolutions which are supported with all the relevant information and explanations required for an informed decision to be made.

A corporate calendar is prepared each year, setting out the dates of Board meetings, Board committee meetings, the General Meetings. This calendar is shared with Directors at the start of the year to help them plan their schedules. At these meetings, the Board reviews the Group's financial performance, major investments, corporate developments, strategic matters, and business plans.

During FPE2025, the Board convened a total of eleven (11) Board meetings and the attendance records of the Directors who held office during the FPE2025 are set out below:

Name of Director	No. of Meetings Attended*
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	11/11
Wong Yih Ming *(appointed on 2 July 2024)*	7/7
Chu Yee Hong *(appointed on 15 July 2024)*	7/7
Datuk Lee Kam Foo	10/11
Yap Kek Siung *(appointed on 3 June 2025)*	2/2
Tan Chee Keong *(appointed on 3 June 2025)*	2/2
Lau Mei Ho *(appointed on 29 July 2025)*	-
Andrea Huong Jia Mei *(resigned on 31 January 2025)*	4/6
Dato' Sri Dr. Shahril Bin Mokhtar *(resigned on 3 June 2025)*	9/9
Susie Chung Kim Lan *(appointed on 19 February 2025, resigned on 25 May 2025)*	1/2
Ng Wai Hoe *(resigned on 3 June 2025)*	9/9
Lim Mei Hwee *(resigned on 15 July 2024)*	4/4
Tan Sok Moi *(resigned on 27 June 2024)*	3/3

** All Board meetings were held virtually.*

Directors' commitment, resources and time allocated to the Company are evident from the attendance records. All Board members have met the minimum attendance requirement of at least 50%, as stipulated in the AMLR of Bursa Securities, by attending more than 50% of the Board meetings during the financial period, with almost all its Board members recorded full attendance.

During Board meetings, the Board reviews management reports on Taghill Group's business and financial performance and discusses major operational and financial issues. The Chairman of the Board chairs the meetings, with the GMD leading the presentation and providing explanations on the management reports. The Executive Directors and key members of the senior management team were invited to attend these meetings to explain and clarify matters.

Directors were encouraged to participate in the meeting and to share their views. They were also encouraged to pose queries (if any) to management prior to each Board meeting. Any Director who has a direct or deemed interest in the subject matter shall declare his or her interest at the meeting and abstain from deliberation and voting on the respective resolution. Decisions of the Board were made by consensus.

In fostering the commitment of the Board that the Directors devote sufficient time to carry out their responsibilities, the Directors are required to notify the Chairman before accepting any new directorship and such notification shall include an indication of time that will be spent on the new appointment. The Chairman shall also notify the Board if he has any new directorship or significant commitments outside the Company. Currently, all Directors of the Company do not hold more than five directorships in any publicly listed issuer, which is in compliance with Rule 15.06 of the AMLR of Bursa Securities.

4) Access to Information

All directors have unrestricted direct access to and interaction with key members of the senior management team. They may hold informal meetings with the team to brief them on matters or major developments concerning Taghill Group's operations. The directors also have unrestricted access to the advice and services of the Company Secretaries. They can interact directly with the Company Secretaries or request further explanation, information, or updates on statutory and regulatory requirements.

In addition to handling administrative matters, the Company Secretaries advise the Board on corporate governance matters, corporate disclosures, and ensure adherence to relevant statutory and regulatory requirements. The Company Secretaries are qualified Chartered Secretaries and members of The Malaysian Institute of Chartered Secretaries and Administrators. They facilitate the convening of all Board and Board Committees' meetings, as well as the processes pertaining to the Company's forthcoming fourth AGM to be held in November 2025. The Company Secretaries also attend and record minutes of all of the Board and Board Committees' meetings, as well as the AGM and EGM. They continuously undertake professional development and details of their roles and responsibilities are disclosed in the CG Report.

Subject to the approval of the Board, directors, whether as a full board, Board Committees or in their individual capacity, may seek and obtain independent professional advice at Taghill Group's expense in the course of discharging their duties. Appropriate procedures are in place to facilitate the directors' access to such advice.

The Board recognises the importance of providing timely, relevant, and up-to-date information to ensure an effective decision-making process. Therefore, the Board is provided not only with quantitative information but also with qualitative information pertinent to discharging its duties effectively.

Prior to scheduled board and/or Board Committees' meetings, directors will receive a structured agenda, management reports, and board papers at least five business days prior to the meeting. To enhance the effectiveness of meetings, the agenda is organised considering the complexity of the proposals or matters to be deliberated. An indication will also be provided to guide the Board and Board Committees as to whether the matters are for approval, discussion, or notation purposes, ensuring efficient conduct of meetings.

Where necessary, members of the key senior management team are invited to attend such Board and/or Board Committees' meetings to report and update on areas of business within their responsibilities, providing insights to the Board members and clarifying any issues raised by the directors regarding Taghill Group's operations. Directors are encouraged to share their views and insights during deliberations and participate in discussions.

All discussed issues, decisions and conclusions including dissenting views made and whether any director is abstained from voting or deliberating on a particular matter at such Board and/or Board Committees' meetings as well as required actions to be taken by responsible parties are minuted by the Company Secretaries. The minutes are signed by the Chairman of the Board or the respective Board Committees as a correct record of the proceedings of such meetings based on the confirmation from all the Board members or Board Committees members. Decisions made and policies approved by the Board will be communicated to the relevant key senior management team for action after the meeting.

5) Directors' Training

The Board recognises the importance of continuing professional development for its directors to ensure that they are equipped with the necessary skills and knowledge to assist them in discharging their duties as directors.

During the FPE2025, the directors have attended the following seminars and/or training programmes:

Name of Director	Name of Seminar / Training Programme	Date
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	• Transparency Matters : A director's approach to handle conflict of interest. • Navigating The New Tech Risk Frontier : Essential Guidelines For Director	18 Jan 2024 24 Jan 2025
Wong Yih Ming	• Mandatory Accreditation Programme Part I (MAP) • Mandatory Accreditation Programme Part II (MAP) • Introduction to Corporate Directorship In The New Era of ESG	11 Sep 2024 & 12 Sep 2024 20 May 2025 & 21 May 2025 23 Jun 2025 & 24 Jun 2025
Chu Yee Hong	• Mandatory Accreditation Programme Part I (MAP) • Mandatory Accreditation Programme Part II (MAP) • Introduction to Corporate Directorship In The New Era of ESG	11 Sep 2024 & 12 Sep 2024 20 May 2025 & 21 May 2025 23 Jun 2025 & 24 Jun 2025
Datuk Lee Kam Foo	• Mandatory Accreditation Programme Part II (MAP)	20 May 2025 & 21 May 2025
Ng Wai Hoe *(resigned on 3 June 2025)*	NIL	-
Dato' Sri Dr. Shahril Bin Mokhtar *(resigned on 3 June 2025)*	• Mandatory Accreditation Programme Part II (MAP)	20 May 2025 & 21 May 2025

The Board has been regularly updated and advised by the Company Secretaries, along with other independent professionals, on regulatory changes and governance matters, enabling the directors to discharge their responsibilities effectively. The directors are mindful of the need to continuously enhance their skills and knowledge to assist them in fulfilling their duties. Therefore, the Board will continuously evaluate and determine the training needs of the directors.

6) Code of Conduct and Ethics for Directors

The Board has established and adopted a Code of Conduct and Ethics for Directors ("**CCED**") and a separate Code of Conduct and Discipline for Employees. The CCED, as incorporated in the Board Charter, has been formulated to enhance the standard of corporate governance and promote ethical conduct among the directors. The CCED is to be observed by all Directors of Taghill Group, and the core areas of conduct are disclosed in the CG Report. This CCED is reviewed by the Board every three years or as required when internal or external events warrant a more frequent review to be undertaken.

The CCED for Directors was approved and adopted by the Board on 23 February 2022. It is also published on the Company's website at www.taghill.my.

7) Board Composition

The Board currently consists of seven members, including the GMD, two Executive Directors, and four (4) Independent Non-Executive Directors. Consequently, the Company meets the prescribed requirements for one-third of the Board membership to consist of independent members, as stipulated in the AMLR of Bursa Securities. The current composition also satisfies MCCG's recommendation of having at least half of the Board comprising Independent Directors.

Board Diversity

The Board recognises the significance of boardroom diversity in terms of age, gender, and ethnicity, as well as acknowledges the benefits of such diversity. Moreover, the Board acknowledges that having Board members with diverse backgrounds, skills, and experiences is crucial to ensuring a broad range of viewpoints, facilitating optimal and effective decision-making, and governance. While promoting boardroom diversity is deemed essential, the Board maintains that the normal selection criteria of a director, based on an effective blend of competencies, skills, and extensive experience to strengthen the Board, should remain a priority.

The Company has incorporated boardroom diversity into the Board Charter, which is accessible on the Company's website at www.taghill.my.

8) Board Effectiveness Assessment

The effectiveness of the Board is vital to the success of Taghill Group. As such, the Board, through its NC, conducts a rigorous evaluation process to assess the performance of the Board, Board Committees, and each individual Board member on an annual basis. For FY2022, an external consultant was engaged to facilitate the first Board Effectiveness Assessment, ensuring objectivity and candid evaluation of the board. For FPE2025, the NC conducted the Board Effectiveness Assessment through circulation of assessment questionnaire and forms, facilitated by the Company Secretaries.

The assessment comprised an evaluation of the Board as a whole, Board Committees, and directors, focusing on main areas such as board mix and composition, quality of information and decision-making, boardroom activities, relationship of the Board with management, environmental, social, and governance ("**ESG**") issues, as well as performance evaluation of the Board Committees. For individual directors' self/peer evaluations, the assessment criteria included fit and proper, contribution and performance, as well as calibre and personality.

The NC was satisfied that all Board members were effective in their discharge of functions, roles, and duties and had also met the performance criteria in the relevant areas of assessments. The Board has also identified certain key areas, particularly related to succession planning and ESG, for further enhancement in the future.

9) Appointment and Re-Election of Board Members

The Board appoints its members through a formal process that is consistent with the Company's Constitution. The NC has been entrusted with the responsibility for proposing and recommending the right candidates to the Board for appointment. In addition, the NC also has the function of assessing the effectiveness of the Board, reviewing the skills, professionalism, integrity and competencies of individual directors and the composition of the various board committees. In FY2022, the Board has adopted the Directors' Fit and Proper Policy which forms the basis and yardstick for the NC and the Board in the fit and proper assessment prior to the appointment of any candidate as a director or making recommendation for the re-election of an existing director.

The process for the appointment of a Board member is summarised, as follows:

- Identification of a candidate upon the recommendation by the existing board members, key senior management team, shareholders and/or other consultants;

- The NC to consider, inter-alia, the competency, experience, commitment, contribution and integrity of the candidates, and in the case of candidates proposed for appointment as Independent Directors, the candidate's independence, in evaluating the suitability of the candidates;
- Recommendation of candidates to be made by the NC to the Board, as well as recommendation for appointment as a member of the various Board Committees, where necessary; and
- Decision to be made by the Board on the proposed new appointment, including appointment to the various Board Committees.

In FPE2025, the Board reviewed and approved the appointment of a director to the Board, as recommended by the NC. The Board also reviewed and approved the composition of the NC.

The Constitution also requires all Directors, including the GMD, to retire from office at least once in each three years and one-third of the Directors are subject to retirement by rotation and are eligible for re-election at every AGM. The NC will assess the performance of all directors, particularly the Directors who were standing for re-election at the forthcoming fourth AGM. The NC will also consider the current composition of the Board and the tenure of each Director on the Board. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of Taghill.

10) Tenure of Independent Directors

The NC carries out the evaluation of independence for each Independent Director annually. The NC has undertaken a review and assessment of the level of independence of the Independent Directors during FPE2025 and is satisfied that they are able to discharge their responsibilities in an independent manner. The independence of directors is measured based on the criteria prescribed under the AMLR of Bursa Securities, in which a directors should be independent and free from any business or other relationship that could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company.

The Independent Directors have also declared their independence to the Board under the annual Board evaluation process during the FPE2025. Following the amendment to AMLR of Bursa Securities, tenure of an Independent Director had been restricted to twelve (12) years. Consequent thereto, none of the Independent Directors has exceeded the cumulative term of twelve (12) years as at the date of this Statement.

As set out in the Board Charter, the Company does not have a policy which limits the tenure of its independent directors to nine (9) years. However, the Board takes note that the MCCG recommends that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years unless shareholders' approval is obtained to retain such Director as an Independent Director. The Company has adopted the approach that upon completion of nine (9) years, an Independent Directors may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. If the Board intends to retain the Independent Directors who have served the Company exceeding a cumulative term of nine (9) years, the Board will need to justify and seek shareholders' approval at the AGM through a two-tier voting process in accordance with the MCCG.

As of the date of this Statement, none of the Independent Directors has exceeded 9 years of tenure.

11) Board Committees

The Board, in order to assist in fulfilling its stewardship role, has established Board Committees namely the ARMC, NC, and RC, which comprise solely Independent Non-Executive Directors. These Board Committees have been delegated certain responsibilities as well as the authority to examine specific issues and operate within their respective Terms of Reference ("**TORs**") as approved by the Board. They are also required to report to the Board with their proceedings, deliberations, and recommendations. However, the ultimate responsibility for decision-making lies with the Board.

The Board Committees for the financial period ended 31 May 2025 are as follows:

(a) **ARMC**

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors.

The composition, attendance for meetings and work of activities of the ARMC are set out in the ARMC Report on pages 57 to 59 of this annual report. The ARMC's TOR is published on the Company's website at www.taghill.my.

(b) **NC**

The NC comprises three members, all of whom are Independent Non-Executive Directors.

The composition, attendance for meetings and work of activities of the NC are set out in the NC Report on pages 60 to 62 of this annual report. The NC's TOR is published on the Company's website at www.taghill.my.

(c) **RC**

The RC is responsible for carrying out annual reviews where recommendations are submitted to the Board on the overall Remuneration Policy for Directors and Key Senior Management team, to ensure that the Remuneration Policy remains in support of its corporate objectives and shareholder value and is in tandem with its culture and strategy. The roles and responsibilities of the RC are set out in the RC's TOR, which is published on the Company's website at www.taghill.my.

The RC believes in a Remuneration Policy that fairly supports the director's responsibilities and fiduciary duties in steering Taghill Group to achieve its long-term goals and enhance shareholders' value. The main objective in this respect is to offer a competitive remuneration package in order to attract, develop and retain talented individuals to serve as directors.

The RC comprises three members, all of whom are Independent Non-Executive Directors.

As of the date of this CG Statement, the composition of the RC is as follows:

Name of Director	Designation	Directorship
Datuk Lee Kam Foo	Chairman	Independent Non-Executive Director
Tan Chee Keong *(appointed on 6 June 2025)*	Member	Independent Non-Executive Director
Lau Mei Ho *(appointed on 29 July 2025)*	Member	Independent Non-Executive Director

The RC's principal objective is to evaluate, deliberate and recommend to the Board a Remuneration Policy for Executive Directors that is fairly guided by market norms and industry practice. The RC also recommends the Executive Directors' remuneration and benefits based on their individual performance and that of the Group.

The RC held a meeting during FPE2025 to review Directors' Fees and Other Benefits payable to the Non-Executive Directors and recommended to the Board for approval.

PART III - REMUNERATION

The Board acknowledges the level and composition of remuneration of Directors and key senior management taking into account the Company's desire to attract and retain the right talent in the Board and key senior management to drive the Company's long-term objectives. In order to achieve this aim, the Board has established a Remuneration Committee and developed the Remuneration Policy to assist the Board in discharging its duties and responsibilities in matters relating to the remuneration of the Board and key senior management.

LEVEL AND COMPOSITION OF REMUNERATION

13) Directors' Remuneration

The Board recognises that fair remuneration is critical in attracting, retaining, and motivating the directors of Taghill Group, as well as Directors serving on Board Committees. Therefore, the Board has established formal and transparent remuneration policies and procedures for the Board and Board Committees.

The remuneration of Executive Directors consists of basic salary, statutory contributions, allowances, bonuses, and other benefits. Any salary review takes into account market rates and the performance of both the individual and Taghill Group.

The remuneration of Non-Executive Directors comprises fees that reflect their expected roles and responsibilities, including any additional work and contributions required. In addition, each Director is paid a meeting allowance for each Board and Board Committee meeting he or she attends.

The Company will seek shareholders' approval at the forthcoming Fourth AGM for Directors' fees and benefits payable to the Directors for the period cover from 25 November 2025 until the conclusion of the next AGM of the Company in 2026. This is to facilitate the payment of the Directors' fees and benefits and shall be applicable in the subsequent financial year.

Details of Directors' remuneration of the Company (including the GMD) who served during FPE2025 are as follows :

13) Directors' Remuneration (continued)

Name of Director	Allowances (RM)	Fees (RM)	Salaries (RM)	Bonuses (RM)	Contributions to Employees' Provident Fund (RM)	Benefits-in-kind (RM)	Total (RM)
Group Managing Director							
Wong Yih Ming	-	-	880,000	80,000	115,200	-	1,075,200
Executive Directors							
Chu Yee Hong	-	-	880,000	80,000	115,200	-	1,075,200
Ng Wai Hoe *(resigned on 3 June 2025)*	170,000	-	765,000	-	146,566	-	1,081,566
Lim Mei Hwee*	50,000	-	198,710	-	47,255	4,500	295,965
Tan Sok Moi*	50,000	-	173,871	-	42,536	4,500	266,407
Non-Executive Chairman / Directors							
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	-	170,000	-	-	-	-	170,000
Dato' Sri Dr. Shahril Bin Mokhtar *(resigned on 3 June 2025)*	-	68,000	-	-	-	-	68,000
Datuk Lee Kam Foo	-	68,000	-	-	-	-	68,000
Andrea Huong Jia Mei (resigned on 31 January 2025)	-	52,000	-	-	-	-	52,000
Susie Chung Kim Lan (resigned on 25 May 2025)	-	12,654	-	-	-	-	12,654
Lim Mei Hwee*	-	5,935	-	-	-	-	5,935
Tan Sok Moi*	-	4,000	-	-	-	-	4,000
Total	**270,000**	**380,589**	**2,897,581**	**16,000**	**466,757**	**9,000**	**4,183,927**

Note: Directors' remuneration and benefits are received and receivable on a group basis.

**Ms. Lim Mei Hwee and Ms. Tan Sok Moi were redesignated from Executive Directors to Non-Executive Directors on 30 May 2024. Ms. Lim Mei Hwee resigned on 15 July 2024 and Ms. Tan Sok Moi retired on 27 June 2024.*

The Company has eight key senior management, including the two Executive Directors and the GMD who is an Executive Director. The six key senior management (excluding the two Executive Directors and GMD) whose remuneration falls within the respective bands of RM50,000 is disclosed below:

Remuneration Bands	No. of Key Senior Management
RM150,001 – RM200,000	3
RM200,001 – RM250,000	2
RM950,001 – RM1,000,000	1 (appointed as Executive Director on 3 June 2025)

The Board is of the view that disclosure on a named basis on the top five key senior management's remuneration components including salaries, bonuses, benefits-in-kind and other emoluments in the bands of RM50,000 (in accordance with Practice 8.2 as recommended in MCCG), is not in the best interest of the Company due to sensitivity and privacy reasons.

PRINCIPLE B:
EFFECTIVE AUDIT AND RISK MANAGEMENT

1) Audit and Risk Management Committee

The ARMC comprises three members of the Board, all of whom are independent non-executive directors. This is to ensure the Board's objectivity of the ARMC's findings and recommendations. The members of the ARMC are financially literate and have sufficient understanding of Taghill Group's businesses. Details of the composition of the ARMC are set out in the ARMC Report on pages 57 to 59 of this Annual Report.

The ARMC assists the Board in discharging its statutory duties and responsibilities by ensuring:

- accurate and timely financial reporting and compliance with applicable financial reporting standards;
- adequate internal control in the systems and processes which enable Taghill Group to operate effectively and efficiently;
- that an effective risk management framework is in place to manage risks impacting Taghill Group;
- that internal audit functions effectively and audits are performed by external auditors objectively and independently; and
- Taghill Group complies with applicable laws, rules and regulations and has an appropriate code of business conduct in place.

The Board, through the NC, assesses the composition and performance of the ARMC annually, as part of the annual board committee effectiveness assessment. In FPE2025, the NC conducted the board effectiveness assessment internally, facilitated by the Company Secretaries. The Board was satisfied that they had been effective in their discharge of functions, roles, and duties, and had also met the performance criteria in the relevant areas of assessment. The Board has also reviewed and approved the ARMC's TOR in FY2021 to reflect the requirements of the applicable practices of MCCG. The Board will review the ARMC's TOR periodically as and when the need arises to keep it current and relevant, in accordance with the requirements of MCCG and AMLR of Bursa Securities, at all times.

The Board has adopted and incorporated a policy that requires a former key audit partner to observe a cooling-off period of at least three years before being appointed as a member of the ARMC in its TOR. The Board will adhere to the same when considering the appointment of an ARMC member.

A summary of activities and the role of the ARMC in relation to both the internal and external auditors are described in the ARMC Report on pages 59 to 61 of this annual report.

2) Suitability and Independence of External Auditors

The Board through the ARMC has established a transparent and professional relationship with Taghill Group's external auditors. The ARMC has an explicit authority to communicate directly with the external auditors. The ARMC will meet with the external auditors at least twice a year to discuss their audit plan and audit findings in relation to Taghill Group's financial statements. Private sessions between the ARMC and the external auditors will be held without the presence of the MD and the key senior management team to discuss audit findings and any other observations they might have during the audit process for the next financial year ending 31 May 2026.

The external auditors are invited to attend the ARMC meetings as and when required apart from the scheduled meetings when they present the audited financial statements of Taghill Group to the ARMC. During such meetings, the external auditors are required to highlight and discuss the nature, scope of the audit, internal controls and problems that might require the attention of the Board.

The ARMC, in adhering to the policies and procedures in assessing the suitability and independence of external auditors, will undertake an annual assessment of the quality of audit, which encompasses the performance and quality of the external auditors and their independence, objectivity and professionalism. The assessment process will involve identifying the areas of assessment, setting the minimum standard and devising tools to obtain relevant data. The areas of assessment include among others, the external auditors' calibre, audit quality processes, audit team, audit scope, audit communication, audit governance and independence as well as the components of audit and non-audit fees.

During FPE2025, the external auditors, Messrs. Baker Tilly Monteiro Heng PLT, provided the ARMC with a written assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. The external auditors are required to declare their independence annually to the ARMC as specified by the By-Laws issued by the Malaysian Institute of Accountants. Messrs. Baker Tilly Monteiro Heng PLT, had provided their declaration in their annual audit plan for the FPE2025 in their presentation to the ARMC. Being satisfied with the external auditors' performance, technical competence and independence, the ARMC recommended the appointment of Messrs. Baker Tilly Monteiro Heng PLT as external auditors for the FPE2025.

In reviewing the audit and non-audit services provided by Messrs. Baker Tilly Monteiro Heng PLT, the ARMC ensured that the independence and objectivity of the external auditors are not compromised. The external auditors have been engaged mainly to perform the statutory audit on Taghill Group's annual financial statements.

In FPE2025, Messrs. Baker Tilly Monteiro Heng PLT also undertook the following non-audit related reviews:

- Review of the Statement on Risk Management and Internal Control

3) Risk Management and Internal Control Framework

The Board acknowledges its overall responsibility for maintaining a sound system of internal controls that provide a reasonable assessment of effective and efficient operations, internal financial controls, and compliance with laws and regulations, as well as with internal procedures and guidelines. Such a system is designed to reduce, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, not absolute, assurance against material misstatement, errors, frauds, or losses. The effectiveness of the system of internal controls of Taghill Group will be periodically reviewed by the ARMC.

The internal audit function has been outsourced to an independent consulting company, Sterling Business Alignment Consulting Sdn. Bhd. ("**Sterling**"), a corporate member of the Institute of Internal Auditors Malaysia. This enables the ARMC to assume the task of internal control review and risk assessment functions of Taghill Group for the FPE2025. Any areas of improvement and the implementation of recommendations are reviewed and monitored by the ARMC. The outsourced internal auditors report directly to the ARMC.

The Board believes that the overall risk management and internal control systems in place for the FPE2025 are operating adequately and effectively for the purpose of safeguarding Taghill Group's assets, as well as shareholders' investments and the interests of employees and other stakeholders. The key features of the risk management and internal control systems are outlined in the Statement on Risk Management and Internal Control on pages 65 to 68 of this annual report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Taghill Group recognises the importance of being accountable to its shareholders and stakeholders and it remains committed to maintain an active and proactive communication approach with its shareholders and stakeholders to facilitate mutual understanding of each other's objectives and expectations. Taghill Group firmly believes that timely, accurate and effective communication with its shareholders and stakeholders is the key to enable them to make informed decisions with respect to Taghill Group's business, its policies on governance, the environment and corporate responsibility.

1) Communication with Stakeholders

The Board acknowledges the importance of maintaining transparency and accountability to all its stakeholders, particularly its shareholders and investors as it ensures that market credibility and investors' confidence are maintained. Through extensive disclosures of appropriate and relevant information, using various channels of communication on a timely basis, Taghill Group aims to effectively provide shareholders and investors with information to fulfill transparency and accountability objectives.

At this juncture, the channel of communication to shareholders, stakeholders and general public for the overall performance and operations of Taghill Group's business activities are press releases, public announcements on quarterly basis, annual report and disclosures to Bursa Securities.

Meetings with institutional investors, fund managers and analysts from time to time provide an additional avenue for the Board and management to convey information about Taghill Group's performance, strategy and other matters affecting shareholders' interests.

2) Leveraging Information Technology for Effective Dissemination of Information

Shareholders are also encouraged to access Taghill Group's corporate website at www.taghill.my as well as Bursa Securities' website at www.bursamalaysia.com to obtain the latest information of the Company. Continuous improvement and development of the website will be undertaken by the Company to ensure easy and convenient access.

3) Conduct of General Meetings

The Company's AGM is the principal forum for dialogue with all shareholders and the Board encourages shareholders to attend and participate in the AGM. The notice of meeting and the annual report are required to be sent out to shareholders at least 21 days before the date of the meeting in accordance with the Company's Constitution. A presentation will be given by the Chairman to explain Taghill Group's strategy, performance and major developments to shareholders during the AGM. This is also in line with Section 316(2) of Companies Act 2016 and Rule 7.15 of AMLR of Bursa Securities which call for at least 21 days' notice period for public companies or listed issuers respectively.

In accordance with the recommendation of the MCCG, the Notice of the first AGM of the Company was circulated 28 days prior to the date of the meeting, which provided shareholders ample time to read through the annual report. The second and third AGM had been conducted virtually through live streaming from the broadcast venue at Manuka 2 & 3, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. All resolutions set out in the Notice of AGM had been put to vote via Remote Participation and Voting facilities ("**RPV**") provided by Tricor Investor & Issuing House Services Sdn. Bhd. via TIIH Online website at https://tiih.online on 21 June 2023 and 27 June 2024 respectively.

Shareholders participated in the Questions and Answers session on the proposed resolutions and about Taghill Group's operations in general. Shareholders who were unable to attend had allowed to appoint proxies in accordance with the Company's Constitution to attend virtually and vote on their behalf electronically. The Board and key senior management had presented and provided clarification to shareholders' queries.

Pursuant to Rule 8.31A(1) of the AMLR of Bursa Securities, any resolutions set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and are intended to be moved at any general meeting of the Company will be subject to poll voting by the shareholders. The votes cast at the general meeting will be validated by a scrutineer, who is independent of the person undertaking the polling process, not an officer of the Company and is not interested in the resolution to be passed at the general meeting.

Taghill Group has introduced electronic voting (e-voting) facilities and will make available such facilities in future meetings. This is to ensure that the mandatory voting poll at all general meetings are being carried out efficiently. In addition, the Company has adopted its Constitution to allow the Company to leverage on technology to enhance communication with the shareholders of the Company and the conduct of future general meetings.

The Company will continue to leverage technology to facilitate shareholders' participation and e-voting for the conduct of polls on all resolutions for its forthcoming fourth AGM to be held in November 2025.

4) Corporate Disclosure Policy

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to Taghill Group to the regulators, shareholders and stakeholders. The Board formalised pertinent corporate disclosure policies not only to comply with the disclosure requirements as stipulated in the AMLR of Bursa Securities, but also setting out the persons authorised and responsible to approve and disclose material information to shareholders and stakeholders.

To augment the process of disclosure, the Board has established a dedicated section for corporate information on the Company's website, where information on the company's announcements, financial information and the Group and Company's annual report could be accessed.

STATEMENT BY THE BOARD ON CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Company shall continue to strive for high standards of corporate governance throughout the Group, and the highest level of integrity and ethical standards in all of its business dealings.

The Board will continue to enhance its focus on the Company's corporate governance practices for the FPE2025. The Company has satisfactorily complied with the principles and practices set out in the MCCG, except for the departures set out in the Corporate Governance Report.

This CG Overview Statement together with the CG Report were approved by the Board on 25 September 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of the Company ("**the Board**") is pleased to present to the Audit and Risk Management Committee ("**ARMC**") report for the 17 months financial period ended 31 May 2025 ("**FPE2025**") as follows:

COMPOSITION OF THE ARMC

The ARMC is chaired by an Independent Non-Executive Director and comprises three (3) members, all of whom are Independent Non-Executive Directors. The ARMC comprises the following Directors during FPE2025 and as of the date of this report:

Name of Director	Designation	Directorship
Tan Chee Keong *(appointed on 3 June 2025)*	Chairman	Independent Non-Executive Director
Datuk Lee Kam Foo	Member	Independent Non-Executive Director
Lau Mei Ho *(appointed on 29 July 2025)*	Member	Independent Non-Executive Director

The Chairman of the ARMC, Mr. Tan Chee Keong is an Independent Non-Executive Director. Hence, the Company complied with Rule 15.10 of the AMLR of Bursa Securities.

The Board evaluates the composition and performance of the ARMC and its members annually through a board committee effectiveness assessment. Based on the evaluation conducted for FPE2025, the Board was satisfied that the current composition of the ARMC is appropriate. The Board has also expressed satisfaction with the ARMC and its members, stating that they discharged their functions, duties, and responsibilities in accordance with the ARMC's Terms of Reference.

MEETINGS AND ATTENDANCE

During FPE2025, a total of eight (8) ARMC meetings held and the record of attendance is as follows:

Name of Director	No. of Meetings Attended*
Tan Chee Keong *(appointed on 6 June 2025)*	1/1
Lau Mei Ho *(appointed 29 July 2025)*	-
Datuk Lee Kam Foo	8/9
Andrea Huong Jia Mei *(resigned on 31 January 2025)*	5/5
Dato' Sri Dr. Shahril Bin Mokhtar *(resigned on 3 June 2025)*	8/8
Susie Chung Kim Lan *(resigned on 25 May 2025)*	1/2

** All five meetings were held virtually via video conferencing.*

The ARMC held its meetings online using web platforms and teleconferencing. Before each meeting, members received the agenda and supporting documents electronically. Meetings were given enough time to discuss all topics and address new issues in detail.

The meetings were conducted in an open and constructive environment, promoting focused dialogue, rigorous questioning, and the expression of diverse viewpoints. Attendees included directors of the Company, external auditors, internal auditors, the company secretary, and relevant members of key management, as appropriate.

Prior to the commencement of the annual audit, the ARMC held discussions with the external auditors to review the audit plan. Subsequent meetings were conducted to address audit findings and other observations arising during the audit process.

Additionally, on 29 July 2025 and 25 September 2025, the ARMC met separately with the external auditors in a private session, without the attendance of the Group Managing Director or key senior management. During this session, the Committee assessed the extent of Management's cooperation with the external auditors, the adequacy of information sharing, the competence and resources of the financial reporting function, and the overall operational efficiency of the Group.

The Chairman of the ARMC provides a report to the Board on matters discussed and recommendations arising from each ARMC meeting.

TERMS OF REFERENCE OF THE ARMC

The Terms of Reference of the ARMC is available for viewing at the Company's website at www.taghill.my .

SUMMARY OF ACTIVITIES

The ARMC carried out its duties in accordance with its Terms of Reference. The main activities carried out by the ARMC during FPE2025 were as follows:

1. **Financial Performance and Reporting**

   a) Reviewed the unaudited quarterly financial results of Taghill and its subsidiaries (the "**Group**") and the relevant announcements to Bursa Securities and prior recommended them for approval by the Board.

2. **External Audit**

   a) Reviewed the audit plan of the external auditors which outlined the materiality, audit scope, audit methodology, audit focus areas, timing of audit, and audit fees prior to the commencement of the annual statutory audit.

   b) Discussed with the external auditors the key audit focus areas, impacts of new or proposed changes in accounting standards and regulatory requirements applicable to the Group and the plans, processes and controls in order to ensure effective and efficient financial reporting and disclosures under the financial reporting standards.

   c) Evaluated the performance of the External Auditors for the FPE2025 covering areas such as calibre, quality processes, audit team, audit scope, audit communication, audit governance and independence and considered and recommended the re-appointment of the external auditors.

   d) Reviewed the re-appointment of the External Auditors for the for the ensuing year and recommended to the Board's for approval.

3. **Internal Audit**

   a) The ARMC reviewed three (3) internal audit reports which covered the following areas:

      i) Commercial and contracts;

      ii) Project management;

      iii) Follow-up status review on previously reported audit findings.

   b) Reviewed and assessed the adequacy of the scope and functions of the internal audit plan.

   c) Reviewed the effectiveness of the Group's system of internal control.

   d) Reviewed the proposed fees for the internal auditors in respect of their audit of the Company and the Group.

4. **Related Party Transactions and Conflict of Interest**

   a) Reviewed the policies and procedures for Recurrent Related Party Transactions ("**RRPT**") and Related Party Transactions ("**RPT**") that arose and discussed possible conflict of interest ("**COI**") situations that may arise within the Group to ensure that:

      - Transactions with related parties and/or interested persons were conducted at arm's length basis and on normal commercial terms and that the internal control procedures with regards to such transactions were sufficient, not prejudicial to the interests of the Group and its minority shareholders and on terms which are generally no more favourable to the related parties and/or interested persons (pursuant to Chapter 10 of the AMLR of Bursa Securities); and

      - The transactions are fair and reasonable and are not detrimental to the minority shareholders.

   b) Reviewed the processes that the Group has in place for identifying, evaluating, approving, reporting and monitoring of RRPT. The ARMC was satisfied that the processes were adequate to ensure the transactions were made on at arm's length basis and not prejudicial to the interest of the Group or its minority shareholders and will be tracked and reported in a timely manner. However, the Group did not have any RRPT and RPT transacted during the financial period under review.

   c) Reviewed potential COI situations that may arise within the Company and the Group.

5. **Oversight of Risk Management**

   a) Reviewed and assessed the adequacy of risk management policies and framework in identifying, measuring, monitoring and managing risk and ensuring adequate infrastructure, resources and systems are in place for risk management.

b) Reviewed the Risk Registry and evaluated the principal business risks and risk profiles which identify the risk factors, statement of risks, risk owners, likelihood, impacts, and proposed risk mitigation actions.

6. Other Activities

a) Reviewed the disclosure in the ARMC Report, Statement on Risk Management and Internal Control and Corporate Governance Overview Statement for inclusion in the Annual Report as well as the Corporate Governance Report and recommended the same for Board's approval.

b) Reviewed and confirmed the minutes of the ARMC Meetings.

c) Reviewed the progress of the utilisation of proceeds from the Company's IPO Proceeds.

INTERNAL AUDIT FUNCTION

The internal audit function plays an important role in providing the Board, through the ARMC, with reasonable assurance of the effectiveness of the risk management, control and governance processes in the Group. To ensure that the responsibilities of Internal Auditors are fully discharged, the ARMC reviews the adequacy of the scope, functions and resources of the internal audit function as well as the competency of the Internal Auditors.

The internal audit function is outsourced to an independent professional firm, namely Sterling Business Alignment Consulting Sdn. Bhd. ("**Sterling**") to carry out internal audit services for the Group. Internal audit reports will be presented directly, together with management's response and proposed action plans to the ARMC for deliberation.

During the FPE2025 under review, the internal audit review and follow-up status reviews were carried out by the Internal Auditors on the following:

Reported on	Company	Audited area
August 2024	Siab Construction Sdn. Bhd.	• Procurement function • Management of Sub-contractors
July 2025	Taghill Projects Sdn. Bhd.	• Accounts & Finance function

The areas concerned identified during the internal audit reviews together with the improvement measures to strengthen the internal controls were reported accordingly. Further details of the risk management and internal audit activities are stated in the Statement of Risk Management and Internal Control.

The total costs incurred by Taghill in respect of the internal audit services for the FPE2025 performed by Sterling was RM38,306.

This ARMC report was reviewed and approved by the ARMC and the Board on 25 September 2025.

NOMINATION COMMITTEE REPORT

The Board of Directors (the "**Board**") of Taghill Holdings Berhad ("**Taghill**" or the "**Company**") is pleased to present the Nomination Committee ("**NC**") Report for the 17 months financial period ended 31 May 2025 ("**FPE2025**") as follows:

COMPOSITION OF THE NC

Name of Director	Designation	Directorship
Tan Chee Keong *(appointed on 6 June 2025)*	Chairman	Independent Non-Executive Director
Datuk Lee Kam Foo	Member	Independent Non-Executive Director
Lau Mei Ho *(appointed on 29 July 2025)*	Member	Independent Non-Executive Director

MEETINGS AND ATTENDANCE

The members and details of attendance of Directors at the NC Meetings of the Company for the FPE2025 are as follows:

Name of Director	No. of Meetings Attended
Datuk Lee Kam Foo	2/2
Dato' Sri Dr. Shahril Bin Mokhtar *(resigned on 3 June 2025)*	2/2
Andrea Huong Jia Mei *(resigned on 31 January 2025)*	2/2
Susie Chung Kim Lan *(appointed on 19 February 2025, resigned on 25 May 2025)*	N/A

The Board has established a Director's Fit and Proper Policy, which was adopted and approved in FY2022. This policy is available on the Company's website at www.taghill.my.

TERMS OF REFERENCE OF THE NC

The NC is guided by its Terms of Reference ("**TOR**") which, inter alia, sets out the purpose, composition, roles and responsibilities, authority as well as the internal procedural matters for the NC, a copy of which is made available on the Company's website at www.taghill.my.

The NC's duties and responsibilities as stated in its TOR include, amongst others, the following:

- to assist the Board in ensuring that the board is of an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- to ensure appropriate selection criteria and processes and to identify and recommend to the Board, candidates for directorships of Taghill and members of the relevant Board Committees;
- to assist the Board in assessing and evaluating circumstances where a director's involvement outside Taghill and its subsidiaries (collectively the "**Group**") may give rise to a potential conflict of interest with the Group's businesses, upon receiving declaration of the same from the director and thereafter, to inform Taghill's Audit and Risk Management Committee ("**ARMC**") of the same. After deliberation with the ARMC, to recommend to the Board the necessary actions to be taken in circumstances where there is a conflict of interest;
- to evaluate the effectiveness of the Board and the relevant Board Committees; and
- to ensure an appropriate framework and succession planning for the Board.

SUMMARY OF WORK BY THE NC

The NC carried out its duties in accordance with its TOR. The main activities carried out by the NC during FPE2025 are as follows:

- Reviewed and recommended to the Board on the appointment of an Independent Director to the Board and considered matters in relation to the composition of the NC;
- Discussed and recommended to the Board, those who are retiring and be eligible for re-election at the forthcoming Fourth Annual General Meeting; and
- Reviewed and assessed the mix of skills, expertise, experience, composition and size of the Board;
- Reviewed and assessed the performance of the Board, Board Committees and individual directors through an internally facilitated Board Effectiveness Assessment;
- Reviewed and recommended for Board's consideration the NC Report incorporating the NC's activities for inclusion in the 2025 annual report;
- Reviewed the training that the directors have attended the relevant training programmes as well as having been updated with market developments and related issues, apprised on a continuing basis by the company secretaries on new and/or revised statutory and regulatory requirements, have adequately met the training needs of each of the directors towards enhancing their skills and knowledge in discharging their duties and role as a director.

APPOINTMENT TO THE BOARD AND THE EFFECTIVENESS OF THE BOARD

The NC conducts an annual review of the Board's and Board Committees' structure, size, balance, and composition, including the required mix of skills, experience, and core competencies for Non-Executive Directors. It then recommends its findings to the Board. The Board subsequently conducts its own assessment of the NC's recommendations before determining appointments. The Company Secretaries ensure that all appointments are properly executed and comply with legal and regulatory obligations.

The NC was satisfied that the Board composition in terms of size, mix of competencies and diversity representation and the balance between executive, Non-Executive and Independent Directors as per AMLR of Bursa Securities, was adequate and in line with Taghill Group's business operations and needs.

The assessment comprised an evaluation of the Board as a whole, its committees, and individual directors. Key focus areas included board mix and composition, quality of information and decision-making, boardroom activities, the Board's relationship with management, environmental, social, and governance ("ESG") issues, and committee performance. For individual self/peer evaluations, the assessment criteria included being fit and proper, contribution and performance, as well as calibre and personality.

The overall results of the board effectiveness assessment for FPE2025 were positive. All evaluated areas were rated highly, reflecting strong performance by the Board, its committees, and individual members. The NC was satisfied that all Board members were effective in discharging their duties and had met the performance criteria in the relevant assessment areas.

The Board is cognisant that a formal, rigorous, and transparent process for appointing and re-electing directors must be based on objective criteria and merit, with due regard for diversity in skills, experience, age, cultural background, and gender. This process evaluates whether a director possesses the character, experience, integrity, and competence to perform their role effectively and diligently.

During FPE2025, the NC noted the resignations of the following Independent Non-Executive Directors:

- Ms. Andrea Huong Jia Mei on 31 January 2025.
- Ms. Susie Chung Kim Lan on 25 May 2025.
- Dato' Sri Dr. Shahril Bin Mokhtar on 3 June 2025.

The NC subsequently endorsed the following appointments for the Board's approval:

- Mr. Tan Chee Keong as Independent Non-Executive Director on 3 June 2025.
- Mr. Yap Kek Siung as Executive Director on 3 June 2025.
- Ms. Lau Mei Ho as Independent Non-Executive Director on 29 July 2025.

The appointments of the abovementioned Directors were evaluated in accordance with the provisions of the Company's Directors' Fit and Proper Policy. This assessment was based on three criteria:

- Character and Integrity
- Experience and Competence
- Time and Commitment

The appointments of the above-mentioned Directors were also subject to the review of the NC and/or ARMC on their disclosure of interest, including any proposed mitigations for any potential conflict of interest that may arise in light of the disclosures made by them.

The appointments of the above-mentioned Directors successfully completed the Company's Fit and Proper Assessment demonstrating the qualities, competencies, and experience necessary to fulfil his duties and responsibilities as the Company's Directors. Their appointment reflects the Company's commitment to maintaining a robust and capable Board to support its strategic objectives and governance standards.

RE-ELECTION OF DIRECTORS

The Directors' Rotation list was reviewed by the NC before being endorsed and recommended to the Board. As part of this process, Directors subject to rotation were required to provide their consent for re-election, ensuring proper alignment with governance procedures and transparency In accordance with Clause 76(6) of the Company's Constitution, the Board is empowered to appoint individuals as Directors either to fill a casual vacancy or to expand the Board's composition. Any Directors appointed under such circumstances is required to seek re-election at the next Annual General Meeting ("**AGM**") thereby ensuring accountability and shareholder validation.

The Constitution also governs the rotation of Directors, stipulating that one-third of the Board shall retire by rotation at each AGM.

Pursuant to Clause 76(3) and 76(6) of the Company's Constitution, the following Director is due to retire at the Company's 4th AGM:

- Datuk Lee Kam Foo (Clause 76(3) - retirement by rotation)
- Wong Yih Ming (Clause 76(3) – casual vacancy)
- Chu Yee Hong (Clause 76(3) – casual vacancy)
- Yap Kek Siung (Clause 76(3) – casual vacancy)
- Tan Chee Keong (Clause 76(3) – casual vacancy)
- Lau Mei Ho (Clause 76(3) – casual vacancy)

All the above Directors have indicated their willingness to be re-elected at the 4th AGM of the Company.

When assessing candidates for re-election, the NRC evaluates their eligibility based on a comprehensive review of their competencies, commitment, contributions, and overall performance. This assessment incorporates findings from the Performance Evaluation, the fit and proper declaration, and an evaluation of their ability to act in the best interests of Taghill.

NC'S EFFECTIVENESS REVIEW AND PERFORMANCE

The Board believes that the NC has effectively performed its duties and functions during FPE2025, thus providing a valuable contribution to the Board. The Board is satisfied with the performance and effectiveness of the NC in providing sound advice and recommendations to the Board, particularly on managing competencies for directors.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Rule 15.26(b) of the ACE Market Listing Requirements ("**AMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and as guided by the Malaysian Code on Corporate Governance issued by the Securities Commission on 28 April 2021 and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, the Board of Directors (the "**Board**") of Taghill Holdings Berhad (formerly known as Siab Holdings Berhad) ("**Taghill**" or the "**Company**") is pleased to present the Statement on Risk Management and Internal Control ("**Statement**") which outlines the nature and scope of risk management and internal control system of the Company and its subsidiaries (the "**Group**") for the financial period ended 31 May 2025.

Board Responsibility for Risk Management and Internal Control

The Board is committed to uphold effective corporate governance principles and is guided by its Board Charter which outlines the roles, responsibilities, processes, and operations of the Board.

The Board recognises its overall responsibility to practice and maintain an effective risk management and sound internal control, which include reviewing its adequacy, integrity, and effectiveness to ensure that the shareholders' interests and the Group's assets are safeguarded.

In view of the inherent limitations in any system of risk management and internal control, the Board acknowledges that the system is designed to manage the Group's key areas of risk within an acceptable risk profile, rather than eliminate the risk of failure. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement of financial information, loss, fraud or any unforeseeable circumstances.

The Board, supported by the Audit and Risk Management Committee ("**ARMC**"), exercises monitoring oversight on the establishment and implementation of a risk management framework, periodically evaluates its effectiveness and enhance the system as and when there are changes to business environment and regulatory guidelines.

The Board is assisted by the Management in implementing the approved policies and procedures on governance, identifying and analysing the key business risk faced by the Group, designing and applying suitable internal controls to manage these risks and monitoring the effectiveness of the internal controls and the governance processes.

Risk Management

The Board has established an on-going risk management process and as part of the risk management process, the Group maintains a Risk Registry and a Risk Management Handbook. The Risk Registry is maintained to evaluate principal business risks and risk profiles which identify the risk factors, statement of risks, risk owners, likelihood, impacts, and proposed risk mitigation actions. The Risk Management Handbook summarises the risk management methodology, approach and processes, roles and responsibilities, and various risk management concepts.

The risk identification process identifies and evaluates the issues arising from changes in both the external business environment and internal operating conditions. The risk measurement guidelines comprise financial and non-financial qualitative measure of risk consequences and are subsequently applied to allocate risk likelihood rating and risk impact rating. The risk control actions are designed and implemented based on the priority sequence.

The respective risk owners are entrusted to identify risks and to ensure that adequate control systems are implemented to mitigate risks faced by the Group. The process of identifying, evaluating, monitoring, and managing significant risks is embedded in the day-to-day business activities of the respective operational functions and the management team. The key risks categories of the Group encompass business and strategic risks, financial risks, operational risks and regulatory or compliance risk.

The Board confirms that the process of identifying risks, evaluating, and managing the significant risks faced by the Group, has been in place during the financial period under review and up to the date of approval of this Annual Report is operating adequately and effectively.

Key Elements of Internal Controls

Key features of the processes established by the Board that provide effective governance and oversight of control, which enable management to ensure that established policies, guidelines and procedures are followed and complied with, include:

- **Organisational Structure**

  The Group has an organisational structure in place for each line of reporting, with defined responsibilities and levels of delegated authority. In addition, the Board and the Board Committees are all governed by defined terms of reference. Management of each operating unit has responsibilities for identifying risks and the overall Group's business as a whole. They are also responsible for instituting adequate procedures and internal controls to mitigate and monitor such risks on an on-going basis.

- **Limits of Authority**

  Limits of Authority have been established within the Group to provide a functional framework of authority in approving revenue, operating expenses and capital expenditure.

- **Policies and Standard Operating Procedures ("SOPs")**

  Policies and SOPs consist of elements of internal control in day-to-day operations. These policies and SOPs are aimed at promoting accountability, efficiencies, and responsibilities within the Group. Policies and SOPs are reviewed on a regular basis to reflect the changing risks impacting the Group and to address any operational deficiencies.

- **Talent Management**

  Ongoing training and development programmes to ensure that employees are constantly kept up to date with the constantly changing technological environment to be competent in the industry in line with achieving the Group's business objectives.

  The Group also provides on-the-job training programmes to all its employees to ensure they are equipped with the latest skills and knowledge to carry out their duties and responsibilities.

- **Board Committees**

  The Board has established the following Board Committees:

  - Audit and Risk Management Committee;
  - Nomination Committee; and
  - Remuneration Committee

  to assist in discharging its duties. These Committees are delegated and empowered with specific authority to perform their scope of duties as defined in their respective terms of reference ("**TORs**"). These TORs are made available on the Company's website at www.taghill.my .

  The ARMC is also responsible for the review of quarterly and annual financial statements as well as results announcements and recommends to the Board for approval.

  - Anti-Bribery and Corruption ("**ABC**") Policy and Procedures

  The Group has established ABC Policy and procedures prohibiting all forms of bribery and corruption practices and all its employees are required to adhere to the policy. The Group's ABC policy and procedures is made available on the Company's website at www.taghill.my.

- **Whistle-Blowing Policy**

  The Group has established a Whistle-Blowing Policy to allow its employees, customers, suppliers, and stakeholders to have a channel to report and disclose any non-compliance or illegal activities within the Group. This policy is made available on the Company's website at www.taghill.my.

- **Safety and Health Management**

  The Group has a manual in place that takes into account the safety and health of all employees and stakeholders. The Group enforces strict precautionary measures and guidelines in the workplace at all times as stipulated by relevant authorities.

  Adequate insurance coverage and security measures on major assets of the Group are also provided to ensure sufficient safeguard against any mishap that will result in material losses to the Group.

INTERNAL AUDIT FUNCTION

The responsibility for reviewing the adequacy and integrity of the internal control system has been delegated by the Board to the ARMC. In turn, the ARMC is charged with the responsibility to assess the adequacy and integrity of the Group's system of internal control, and its compliance with the Group's policies and procedures through independent internal audit reviews.

The internal audit function is outsourced to an independent professional consultancy firm, Sterling Business Alignment Consulting Sdn. Bhd. ("**Internal Auditor**") that through the ARMC provides to the Board, an independent assessment of the adequacy and sufficiency of systems, procedures, and controls of the Group.

The Internal Auditor conducted internal audit review in two cycles, highlighting any identified risks in the risk management and internal control system. During the financial period, the Internal Auditor performed the following internal audit reviews:

Reported on	Company	Audited area
August 2024	Siab Construction Sdn. Bhd.	• Procurement function • Management of Sub-contractor
July 2025	Taghill Projects Sdn. Bhd.	• Accounts & Finance function

The Internal Auditor also attend ARMC meetings on a quarterly basis to present their Internal Audit Reports which includes findings on internal audit classified into several risk level, significant weaknesses identified, recommendations on the necessary course of actions for management to rectify or mitigate the risks identified, management responses and an overall audit opinion.

The Internal Auditor also carries out follow-up reviews subsequent to internal audit reviews to assess the status of the implementation of the management action plans, which are based on the recommended course of action. Based on the internal audit reviews conducted, none of the weaknesses identified have resulted in any material losses, contingencies, or uncertainties.

The total cost of the outsourced internal audit function for the FPE2025 was RM38,306.

ADEQUACY OF RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognises that the system of risk management and internal control has to be reviewed and updated periodically to conform to the constant change in business environment. The Board through the ARMC, has reviewed and is of the opinion that the risk management and internal control frameworks are adequate. Appropriate ongoing mitigating activities and control procedures have been put in place to deal with any identified weaknesses.

ASSURANCE TO THE BOARD

The Board has received assurance from the Group Managing Director, Executive Directors, and the Chief Financial Officer that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects for the financial period under review.

REVIEW OF STATEMENT BY THE EXTERNAL AUDITORS

The External Auditors have reviewed this Statement for inclusion in the Annual Report of the Company for the financial period ended 31 May 2025 pursuant to the scope set out in Audit and Assurance Practice Guide 3 ("**AAPG 3**"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report as issued by the Malaysian Institute of Accountants and reported to the Board that nothing has come to their attention that caused them to believe that the Statement intended to be included in the Annual Report of the Company, in all material respect:

a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out; or

b) factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the assessment and opinion by the Directors and management thereon. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy those problems.

CONCLUSION

For the financial period under review and up to the date of approval of this Statement, the Board is of the opinion that the system of risk management and internal control currently in place is, as far as practicable, adequate and effective to safeguard the Group's interests and assets. The Board is committed towards maintaining a sound system of risk management and internal control to achieve a balance between the Group's business objectives and its operational efficiency. The Board is also cognisant that the Group's risk management framework and internal control system must be continuously reassess and to strengthen it, as and when necessary.

This Statement is made in accordance with a resolution of the Board.

ADDITIONAL COMPLIANCE INFORMATION

MATERIAL CONTRACTS INVOLVING DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

There were no material contracts entered into by the Company and/or its subsidiaries involving the interest of the directors and substantial shareholders, either still subsisting at the end of the FPE2025 or entered into since the end of the previous financial year.

AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to the Group's external auditors and a firm or corporation affiliated to the external auditors' firm by the Group and the Company for the FPE2025 are as follows:

	Group	Company
	RM'000	RM'000
Audit fees:		
• Statutory audit	388	17
Non-audit fees:		
• Review of Statement of Risk Management and Internal Control	5	5
• Special Audit for Financial Year Ending 31 December 2024	62	-
• Tax advisory services	79	6
• Transfer pricing documentation review	16	-

UTILISATION OF PROCEEDS

Proceeds from the Initial Public Offering ("IPO")

Taghill was successfully listed on the ACE Market of Bursa Securities on 28 February 2022. The Company has raised a total amount of RM36.7 million from the corporate exercise at an issue price of RM0.30 per share. On 22 May 2023, the Board had announced to vary the intended IPO Proceed ("**First Variation**"). Subsequently, on 27 February 2024, the Board announced to further vary the utilisation of IPO proceeds and to extend the timeframe for the utilisation of the IPO Proceeds ("**Second Variation**").

On 13 February 2025, the Board announced that, after due consideration, it has resolved to a further variation to the utilisation of the IPO Proceeds ("**Third Variation**").

The total amount of proceeds to be varied under the First Variation, Second Variation and Third Variation (collectively, the "**Variation**") collectively amounts to RM10.3 million, representing more than 25.0% of the total IPO Proceeds raised of RM36.7 million. In accordance with Rule 8.24 of the AMLR of Bursa Securities, a change to the utilisation of proceeds is considered material if such change is 25.0% or more of the initial total proceeds raised. As the Variation amounts to RM10.3 million, or 28.1% of the total IPO proceeds, it is deemed a material change. Accordingly, the Variation was subjected to approval from the shareholders of Taghill at an extraordinary general meeting, as well as any other necessary approvals or consents from relevant authorities/parties, if any.

The Variation was approved by the shareholders of the Company at the extraordinary general meeting held on 26 March 2025.

Taghill has utilised approximately RM36.7 million from the IPO Proceeds. The details of the IPO Proceeds and the Variation are set out as below:

Details of utilisation of proceeds	IPO Proceeds as Disclosed in the Prospectus	Deviation[1]	First Variation[2]	Second Variation[3]	Third Variation[4]	Revised IPO Proceeds After the Variation	Amount Utilised as at 31 May 2025	Balance of Proceeds as at 31 May 2025	Initial Timeframe for Utilisation Proceeds*	Revised Timeframe for Utilisation of Proceeds[5]
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
	(A)	(B)	(C)	(D)	(E)	A + B + C + D + E = (F)	(G)	F+G = (H)		
Purchase of land and construction of storage facility	6,098	-	-	-	(1,578)	4,520	(4,520)	-	Within 24 months	Within 24 months
Purchase of machinery and equipment	13,125	-	(2,934)	(2,300)	(442)	7,449	(7,449)	-	Within 24 months	Within 24 months
Purchase of BIM system software	3,066	-	(3,066)	-	-	-	-	-	Within 24 months	Within 24 months
Upgrade software and systems	810	-	-	-	-	810	(810)	-	Within 18 months	Within 18 months
Working capital	9,300	473	-	2,300	2,020	(14,093)	(14.093)	-	Within 12 months	Within 3 months
Office expansion	300	(37)	-	-	-	263	(263)	-	Within 24 months	Within 24 months
Estimated listing expenses	4,023	(436)	-	-	-	3,587	(3,587)	-	Within 3 months	Within 3 months
Repayment of bank borrowings and suppliers	-	-	6,000	-	-	6,000	(6,000)	-	Within 3 months	Within 3 months
Total	**36,722**	**-**	**-**	**-**	**-**	**36,722**	**(36,722)**	**-**		

Notes :
**From the date of listing being 28 February 2022.*

1) *Following the completion of office expansion in December 2022, the actual office expansion expenses were lower than the estimated amount, hence the excess of RM0.04 million was re-allocated for working capital purposes. In addition to that, the actual listing expenses were lower than the estimated amount, hence the excess of RM0.44 million was re-allocated for working capital purposes.*
2) *The initial IPO Proceeds of RM3.07 million to purchase BIM system software and RM2.93 million to purchase 2 units of tower crane and 1 unit of truck-mounted concrete pump have been re-allocated for the repayment of bank borrowings and suppliers.*
3) *The initial IPO Proceeds of RM2.3 million to purchase 3 units of concrete placing boom, scaffoldings and 2 units of truck crane have been re-allocated for working capital purpose. The timeframe for utilisation is from the expiry date of the initial timeframe for the utilisation of IPO Proceeds.*
4) *The initial IPO Proceeds of RM1.58 million for construction of storage facility, and RM0.44 million for purchase the remaining two units of tower crane and one unit of truck-mounted concrete pump have been re-allocated for working capital purpose.*

On 22 May 2023, the Board had decided to vary the intended utilisation of the proceeds raised from the IPO exercise. On 27 February 2024, the Board had further varied the intended utilisation of the proceeds raised from the IPO exercise of RM2.3 million and has extended the timeframe for the utilisation of IPO Proceeds for an additional 24 months from 29 February 2024 which is the expiry date of the initial timeframe of the utilisation of IPO Proceeds. On 13 February 2025, the Board further varied the intended utilisation of the proceeds raised from the IPO exercise of RM2.0 million.

Proceeds from the Private Placement

As at 31 May 2025, the status of the utilisation of proceed raised from the Private Placement are as follows:

Details of the Utilisation	Proceeds Raised	Actual Utilisation	Intended Timeframe for Utilisation
	RM'000	RM'000	
Cash consideration for the Acquisition	12,000	(12,000)	Within 24 months from date of receipt of proceed on 28 December 2023
Total	**12,000**	**(12,000)**	

Proceeds from the Rights Issue

As at 31 May 2025, the status of the utilisation of proceed raised from the Rights Issue are as follows:

Details of the utilisation	Proceeds raised	Actual utilisation	Intended timeframe for utilisation
	RM'000	RM'000	
Cash consideration for the Acquisition	84,000	(84,000)	Within 24 months from date of receipt of proceed on 25 June 2024
Working capital	3,668	(3,668)	Immediately from date of receipt of proceed on 25 June 2024
Estimated expenses for the Proposals	4,315	(4,315)	Within 1 month from date of receipt of proceed on 25 June 2024
Total	**91,983**	**(91,983)**	

DIRECTORS' RESPONSIBILITY STATEMENT

IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 to prepare the financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards in Malaysia.

The Directors are responsible to ensure that the financial statement is given a true and fair view of the financial position of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial period then ended.

In preparing the financial statements, the Directors have observed the following criteria:

- Overseeing the overall conduct of the Company's business and that of the Group;
- Identifying principal risks and ensuring that an appropriate system of internal control exists to manage these risks;
- Reviewing the adequacy and integrity of internal controls system and management information system in the Company and within the Group;
- Adopting suitable accounting policies and apply them consistently;
- Making judgements and estimates that are reasonable and prudent; and
- Ensuring that the financial statements were prepared on a going concern basis and in compliance with all applicable approved accounting standards in Malaysia subject to any material departures, if any, were disclosed.

The Directors are satisfied that in preparing the financial statements of the Company and the Group for the FPE2025 appropriate accounting policies were used and applied consistently and adopted to include new and revised Malaysian Financial Reporting Standards where applicable.

The Directors are also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements. The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Group and to minimise fraud and other irregularities.

FINANCIAL **STATEMENTS**

DIRECTORS' REPORT

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial period from 1 January 2024 to 31 May 2025.

CHANGE OF NAME

The Company has changed its name from Siab Holdings Berhad to Taghill Holdings Berhad with effect from 20 September 2024.

CHANGE OF FINANCIAL YEAR END

During the financial period, the Group and the Company changed their financial year end from 31 December to 31 May. Accordingly, the financial statements of the Group and the Company for the financial period ended 31 May 2025 cover a seventeen-month period compared to the twelve months financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are as stated in Note 10 to the financial statements.

There have been no significant changes in the nature of these activities during the financial period.

RESULTS

	Group RM	Company RM
Loss for the financial year, net of tax	(55,519,419)	(44,202,953)
Attributable to:		
Owners of the Company	(55,640,864)	(44,202,953)
Non-controlling interest	121,445	-
	(55,519,419)	(44,202,953)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial period ended 31 May 2025.

RESERVES OR PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that no known bad debts and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business, including their values as shown in the accounting records of the Group and of the Company, had been written down to an amount which they might be expected to be realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; and

(ii) any contingent liabilities in respect of the Group and of the Company which has arisen since the end of the financial period.

In the opinion of the directors, no contingent or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial period which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

(i) the results of the operations of the Group and of the Company for the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION AND INDEMNITY

The auditors' remuneration of the Group and the Company during the financial period were RM388,000 and RM17,000 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

ISSUE OF SHARES AND DEBENTURES

During the financial period ended 31 May 2025, the issued share capital of the Company increased from 589,634,083 ordinary shares to 1,556,158,390 ordinary shares pursuant to:

(i) the issuance of 766,524,307 new ordinary shares on 25 June 2024 as rights issue ("Right Shares") at an issue price of RM0.12 per Right Shares, together with 383,262,153 free detachable warrants on the basis of 13 Rights Shares for every 10 existing ordinary shares held on 23 May 2024, together with 1 warrant for every 2 Rights Shares subscribed for the purpose of acquisition of subsidiaries and working capital; and

(ii) the issuance of 200,000,000 new ordinary shares on 27 June 2024 as consideration shares for the acquisition of 2,000,000 ordinary shares representing 100.00% of the equity interest in Taghill Projects Sdn. Bhd. at an issue price of RM0.13 per share as partial payment for the purchase consideration for the acquisition of subsidiaries pursuant to a share sale agreement dated 15 September 2023. For the purpose of accounting for the share consideration, the fair value of RM0.125 per share as at the date of completion was recorded instead of the issued price of RM0.13 per share.

During the financial period, no new debentures were issued by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up any unissued shares of the Company during the financial period.

WARRANTS 2024/2029

Pursuant to a Deed Poll dated 8 May 2024 ("Deed Poll"), the Company issued 383,262,153 new Warrants ("Warrants") to the entitled shareholders of the Company pursuant to the renounceable rights issue with free detachable warrants.

The salient features of the Warrant as stated in the Deed Poll are as follows:

(i) Exercise Rights: Each Warrant entitles the registered holder to subscribe for one (1) new ordinary share in the Company.

(ii) Exercise Price: RM0.20 per new share, subject to adjustments in accordance with the provisions of the Deed Poll.

(iii) Exercise Period: Five (5) years commencing from the issue date and expiring at 5.00 p.m. on the day immediately preceding the 5th anniversary of the issue date. Any Warrant not exercised during the Exercise Period will lapse and become null and void.

(iv) Listing and Quotation: The Warrants are listed and quoted on the ACE Market of Bursa Securities in board lots of 100 Warrants. The new shares to be issued arising from the exercise of the Warrants will also be listed and quoted on the ACE Market.

(v) Ranking of Warrants: The Warrants rank pari passu without preference or priority among themselves.

(vi) Ranking of New Shares: The new shares to be issued upon the exercise of the Warrants shall, upon allotment and issuance, rank equally in all respects with the then existing ordinary shares of the Company, save and except that they will not be entitled to any dividends, rights, allotments or other distributions declared prior to the date of allotment of the new shares.

(vii) Adjustments: The Exercise Price and/or the number of new shares to be issued upon exercise of the Warrants may be adjusted in accordance with the provisions of the Deed Poll in the event of certain circumstances such as consolidation/subdivision of shares, bonus issue, rights issue, capital distribution or other events as set out in the Deed Poll.

(viii) Take-over Code: The exercise of the Warrants by a Warrant holder may trigger an obligation to undertake a mandatory take-over offer for the remaining shares of the Company under the Malaysian Code on Take-overs and Mergers 2016.

The number of unexercised Warrants at the end of the reporting period is 383,262,153.

DIRECTORS

The directors in office during the financial period and during the period from the end of the financial period to the date of the report are:

Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	
Wong Yih Ming*	(Appointed on 2 July 2024)
Chu Yee Hong*	(Appointed on 15 July 2024)
Yap Kek Siung*	(Appointed on 3 June 2025)
Tan Chee Keong	(Appointed on 3 June 2025)
Datuk Lee Kam Foo	
Lau Mei Ho	(Appointed on 29 July 2025)
Andrea Huong Jia Mei	(Resigned on 31 January 2025)
Susie Chung Kim Kan	(Appointed on 19 February 2025 and resigned on 25 May 2025)
Dato' Sri Dr. Shahril Bin Mokhtar	(Resigned on 3 June 2025)
Ng Wai Hoe^	(Resigned on 3 June 2025)
Tan Sok Moi	(Resigned on 27 June 2024)
Lim Mei Hwee	(Resigned on 15 July 2024)

^ Director of certain subsidiaries

** Directors of the Company and certain subsidiaries*

Other than as stated above, the names of the Directors of the subsidiaries of the Company in office during the financial period and during the period from the end of the financial period to the date of this report are:

Liew Wai Leong

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial period in shares in the Company and its related corporations during the financial period were as follows:

Interests in the Company

	Number of ordinary shares			
	At 1 January 2024	Bought	Sold	At 31 May 2025
The Company				
Direct interests:				
Ng Wai Hoe	40,582,052	-	-	40,582,052
Tan Sri Dato' Sri Mohammad Fuzi Bin Harun	300,000	-	-	300,000
Wong Yih Ming	-	17,591,067	-	17,591,067
Chu Yee Hong	-	17,591,067	-	17,591,067
Yap Kek Siung	-	17,591,066	-	17,591,066
Indirect interests:				
Ng Wai Hoe	63,652,316 [1]	-	-	63,652,316 [1]
Wong Yih Ming	-	417,336,800 [1]	-	417,336,800 [1]
Chu Yee Hong	-	417,336,800 [1]	-	417,336,800 [1]
Yap Kek Siung	-	417,336,800 [1]	-	417,336,800 [1]

[1] Share held through company in which the Director has substantial financial interests.

By virtue of their interests in the shares of the Company, Ng Wai Hoe, Wong Yih Ming, Chu Yee Hong and Yap Kek Siung are also deemed interested in the shares of the subsidiaries during the period to the extent that the Company has an interest.

Other than as stated above, none of the other directors in office at the end of the financial period had any interest in ordinary shares or debentures of the Company and its related corporations during the financial period.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The directors' benefits of the Group and of the Company were as follows:

	Group RM	Company RM
Directors of the Company:		
Executive directors		
- Salaries, allowances and bonuses	3,327,581	-
- Defined contribution plans	466,757	-
- Benefits-in-kind	9,000	-
	3,803,338	-
Non-executive directors		
- Directors' fee	380,589	380,589

Neither during nor at the end of the financial period, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Group and of the Company or any other body corporate.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial period, no indemnity was given to or insurance effected for any director and officer of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are as follows:

Name of company	Ownership interest 31.05.2025 %	31.12.2023 %	Principal activities
Taghill Projects Sdn. Bhd. ("TPSB")	100	-	Undertake the management of building and construction projects.
Siab (M) Sdn. Bhd. ("SMSB")	100	100	Construction and civil engineering.
Taghill Land Sdn. Bhd. (fka Ufuk Mercu Sdn. Bhd.) * ("TLSB")	100	-	Business of properties development, management of building and construction projects.
Subsidiary of Taghill Projects Sdn. Bhd.			
Bimtech Solutions Sdn. Bhd. ("BSSB")	60	-	Provision of construction technology consultancy and solutions.
Subsidiaries of Siab (M) Sdn. Bhd.			
Siab Construction Sdn. Bhd. ("SCSB")	100	100	Construction and civil engineering.
Siab Network Solutions Sdn. Bhd. ("SNSSB")	100	100	Providing computer hardware, software, information and communications technology ("ICT") and related support services.
Siab Engineering Sdn. Bhd. ("SESB")	100	100	Providing and maintaining plant and machineries for the usage in construction.
Siab Development Sdn. Bhd. ("SDSB")	100	100	Dormant.

** Incorporated on 27 May 2024 with a paid-up capital of RM100 divided into 100 shares.*

The available auditors' reports on the accounts of the subsidiaries did not contain any qualification.

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

Details of significant events during and subsequent to the end of the financial period are disclosed in Note 33 to the financial statements.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

....

WONG YIH MING
Director

....

CHU YEE HONG
Director

Date: 25 September 2025

STATEMENTS OF
FINANCIAL POSITION

As at 31 May 2025

	Note	Group 31.05.2025 RM	Group 31.12.2023 RM	Company 31.05.2025 RM	Company 31.12.2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	**5**	38,246,766	10,679,708	-	-
Right-of-use assets	**6**	8,650,897	4,479,226	-	-
Investment properties	**7**	5,870,617	6,351,297	-	-
Goodwill	**8**	45,141,525	-	-	-
Other intangible asset	**9**	12,116,132	-	-	-
Investment in subsidiaries	**10**	-	-	121,000,000	42,224,331
Investment in an associate	**11**	76,718	-	-	-
Deferred tax assets	**12**	-	3,537,533	-	-
Total non-current assets		**110,102,655**	**25,047,764**	**121,000,000**	**42,224,331**
Current assets					
Current tax assets		2,529,611	1,591,622	85,372	211,166
Trade and other receivables	**13**	310,727,442	71,365,128	10,837,233	17,206,144
Contract assets	**14**	197,017,749	43,421,869	-	-
Cash and short-term deposits	**15**	71,450,722	18,893,950	18,495	205,391
Total current assets		**581,725,524**	**135,272,569**	**10,941,100**	**17,622,701**
TOTAL ASSETS		**691,828,179**	**160,320,333**	**131,941,100**	**59,847,032**

	Note	Group 31.05.2025 RM	Group 31.12.2023 RM	Company 31.05.2025 RM	Company 31.12.2023 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	**16**	192,656,331	84,035,818	192,656,331	84,035,818
Other reserves	**16**	(30,119,591)	(35,722,508)	5,602,917	-
Accumulated losses		(60,462,779)	(4,823,978)	(68,937,396)	(24,734,443)
		102,073,961	43,489,332	129,321,852	59,301,375
Non-controlling interests		645,063	-	-	-
TOTAL EQUITY		**102,719,024**	**43,489,332**	**129,321,852**	**59,301,375**
Non-current liabilities					
Loans and borrowings	**17**	15,458,604	1,318,637	382,892	-
Deferred tax liabilities	**12**	4,939,534	269,831	-	-
Total non-current liabilities		**20,398,138**	**1,588,468**	**382,892**	**-**
Current liabilities					
Loans and borrowings	**17**	197,809,284	27,536,641	88,826	-
Trade and other payables	**18**	346,255,053	86,003,075	2,147,530	545,657
Provisions	**19**	8,600,000	-	-	-
Contract liabilities	**14**	15,983,320	1,702,817	-	-
Current tax liabilities		63,360	-	-	-
Total current liabilities		**568,711,017**	**115,242,533**	**2,236,356**	**545,657**
TOTAL LIABILITIES		**589,109,155**	**116,831,001**	**2,619,248**	**545,657**
TOTAL EQUITY AND LIABILITIES		**691,828,179**	**160,320,333**	**131,941,100**	**59,847,032**

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF
PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Period Ended 31 May 2025

		Group		Company	
		01.01.2024 to 31.05.2025	**01.01.2023 to 31.12.2023**	**01.01.2024 to 31.05.2025**	**01.01.2023 to 31.12.2023**
	Note	**RM**	**RM**	**RM**	**RM**
Revenue	**20**	795,970,567	203,051,274	-	-
Cost of sales	**21**	(766,093,876)	(210,403,790)	-	-
Gross profit/(loss)		29,876,691	(7,352,516)	-	-
Other income	**22**	3,167,382	1,824,075	-	-
Administrative expenses		(47,066,194)	(7,966,881)	(2,887,650)	(1,639,143)
Net impairment loss of financial instruments and contract assets		(23,230,457)	(7,041,470)	-	-
Other expenses		(4,218,352)	(494,218)	(42,224,431)	(18,498,177)
Operating loss		(41,470,930)	(21,031,010)	(45,112,081)	(20,137,320)
Finance income	**23**	1,978,166	894,502	1,158,852	472,997
Finance costs	**24**	(9,757,615)	(2,606,626)	(19,930)	-
Share of results of an			-		
associate, net of tax		61,718	-	-	-
Loss before tax	**25**	**(49,188,661)**	**(22,743,134)**	**(43,973,159)**	**(19,664,323)**
Income tax (expense)/credit	**27**	(6,330,758)	93,322	(229,794)	179,996
Loss for the financial period/year, representing total comprehensive loss for the financial period/year		**(55,519,419)**	**(22,649,812)**	**(44,202,953)**	**(19,484,327)**

	Note	Group 01.01.2024 to 31.05.2025 RM	Group 01.01.2023 to 31.12.2023 RM	Company 01.01.2024 to 31.05.2025 RM	Company 01.01.2023 to 31.12.2023 RM
Loss attributable to:					
Owners of the Company		(55,640,864)	(22,649,812)	(44,202,953)	(19,484,327)
Non-controlling interests		121,445	-	-	-
		(55,519,419)	**(22,649,812)**	**(44,202,953)**	**(19,484,327)**
Total comprehensive loss attributable to:					
Owners of the Company		(55,640,864)	(22,649,812)	(44,202,953)	(19,484,327)
Non-controlling interests		121,445	-	-	-
		(55,519,419)	**(22,649,812)**	**(44,202,953)**	**(19,484,327)**
Basic loss per ordinary share (sen):	**28**	(4.53)	(4.61)		
Diluted loss per ordinary share (sen):	**28**	(4.53)	(4.61)		

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the Financial Period Ended 31 May 2025

	Note	Attributable to owners of the Company: Share capital RM	Warrant reserve RM	Merger reserve RM	Accumulated losses RM	Sub-total RM	Non-controlling interest RM	Total equity RM
Group								
As 1 January 2024		84,035,818	-	(35,722,508)	(4,823,978)	43,489,332	-	43,489,332
Total comprehensive loss for the financial period								
Loss for the financial period, representing total comprehensive loss for the financial period		-	-	-	(55,640,864)	(55,640,864)	121,445	(55,519,419)
Transactions with owners								
Share issued for acquisition of subsidiaries	**16**	111,380,000	5,602,917	-	-	116,982,917	-	116,982,917
Transaction cost of share issued	**16**	(2,759,487)	-	-	-	(2,759,487)	-	(2,759,487)
Non-controlling interests arising from acquisition of subsidiaries	**10**	-	-	-	2,063	2,063	523,618	525,681
		108,620,513	5,602,917	-	2,063	114,225,493	523,618	114,749,111
At 31 May 2025		192,656,331	5,602,917	(35,722,508)	(60,462,779)	102,073,961	645,063	102,719,024

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2025 (CONTINUED)

		|------------ Attributable to owners of the Company ------------|			
	Note	Share capital RM	Merger reserve RM	Retained earnings/ (Accumulated losses) RM	Total equity RM
Group					
At 1 January 2023		72,335,818	(35,722,508)	17,825,834	54,439,144
Total comprehensive loss for the financial year					
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	(22,649,812)	(22,649,812)
Transactions with owners					
Issue of shares pursuant to the private placement	**16**	12,000,000	-	-	12,000,000
Transaction cost of share issued	**16**	(300,000)	-	-	(300,000)
		11,700,000	-	-	11,700,000
At 31 December 2023		84,035,818	(35,722,508)	(4,823,978)	43,489,332

	Note	Share capital RM	Warrant reserve RM	Accumulated losses RM	Total equity RM
		Attributable to owners of the Company			
Company					
At 1 January 2023		72,335,818	-	(5,250,116)	67,085,702
Total comprehensive income for the financial year					
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	(19,484,327)	(19,484,327)
Transactions with owners					
Issue of shares pursuant to the private placement	**16**	12,000,000	-	-	12,000,000
Transaction cost of share issued	**16**	(300,000)	-	-	(300,000)
		11,700,000	-	-	11,700,000
At 31 December 2023/1 January 2024		84,035,818	-	(24,734,443)	59,301,375
Total comprehensive loss for the financial period					
Loss for the financial period, representing total comprehensive loss for the financial period		-	-	(44,202,953)	(44,202,953)
Transactions with owners					
Share issued for acquisition of subsidiaries	**16**	111,380,000	5,602,917	-	116,982,917
Transaction cost of share issued	**16**	(2,759,487)	-	-	(2,759,487)
		108,620,513	5,602,917	-	114,223,430
At 31 May 2025		192,656,331	5,602,917	(68,937,396)	129,321,852

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF **CASH FLOWS**

For the Financial Period Ended 31 May 2025

	Note	Group		Company	
		01.01.2024 to 31.05.2025 RM	01.01.2023 to 31.12.2023 RM	01.01.2024 to 31.05.2025 RM	01.01.2023 to 31.12.2023 RM
Cash flows from operating activities					
Loss before tax		(49,188,661)	(22,743,134)	(43,973,159)	(19,664,323)
Adjustments for:					
Depreciation of:					
- property, plant and equipment		16,038,976	2,427,639	-	-
- right-of-use assets		920,750	56,545	-	-
- investment properties		170,641	109,175	-	-
Gain on disposal of:					
- property, plant and equipment		(128,848)	(74,999)	-	-
- other investment		-	(74,883)	-	-
Change in fair value of other investments		-	(1,158,437)	-	-
Property, plant and equipment written off		56,552	3,892	-	-
Impairment losses on:					
- investments in subsidiaries		-	-	42,224,431	18,498,177
- property, plant and equipment		143,800	-	-	-
- contract assets		8,146,037	4,566,290	-	-
- trade receivables		15,406,534	2,475,180	-	-
Reversal of expected credit loss of trade receivables		(322,114)	-	-	-
Loss on derecognition of right-of-use assets		1,185,988	-	-	-
Amortisation of intangible asset		9,630,187	-	-	-
Provision of liquidated ascertained damages		8,600,000	-	-	-
Interest expense		9,757,615	2,606,626	19,930	-
Interest income		(1,978,166)	(894,502)	(1,158,852)	(472,997)
Operating profit/(loss) before changes in working capital, carried forward		**18,439,291**	**(12,700,608)**	**(2,887,650)**	**(1,639,143)**

	Note	Group 01.01.2024 to 31.05.2025 RM	Group 01.01.2023 to 31.12.2023 RM	Company 01.01.2024 to 31.05.2025 RM	Company 01.01.2023 to 31.12.2023 RM
Operating profit/(loss) before changes in working capital, brought forward		**18,439,291**	**(12,700,608)**	**(2,887,650)**	**(1,639,143)**
Changes in working capital:					
Trade and other receivables		(15,310,779)	5,644,859	6,368,911	(10,982,471)
Trade and other payables		57,106,379	12,714,873	1,601,873	261,674
Contract assets		(35,030,216)	(10,606,062)	-	-
Net cash flows generated from/ (used in) operations		**25,204,675**	**(4,946,938)**	**5,083,134**	**(12,359,940)**
Income tax paid		(4,610,511)	(848,674)	(104,000)	(96,000)
Income tax refund		64,340	-	-	-
Interest paid		(9,757,615)	(2,606,626)	(19,930)	-
Interest received		1,978,166	494,502	1,158,852	472,997
Net cash flows from/(used in) operating activities		**12,879,055**	**(7,907,736)**	**6,118,056**	**(11,982,943)**
Cash flows from investing activities					
Purchase of property, plant and equipment	**5(a)**	(7,155,767)	(774,531)	-	-
Purchase of right-of-use assets	**6**	-	(4,503,565)	-	-
Change in pledged deposits		(37,077,868)	945,622	-	-
Proceeds from disposal of :					
- property, plant equipment		257,696	75,000	-	-
- other investment		-	4,386,806	-	-
Acquisition of subsidiaries	**10(a)**	(144,928,760)	-	(96,000,100)	-
Issurance of share capital	**16**	91,982,917	12,000,000	91,982,917	12,000,000
Transaction costs of share issue	**16**	(2,759,487)	(300,000)	(2,759,487)	(300,000)
Investment in associate	**11**	(76,718)	-	-	-
Net cash flows (used in)/from investing activities		**(99,757,987)**	**11,829,332**	**(6,776,670)**	**11,700,000**

	Note	Group 01.01.2024 to 31.05.2025 RM	Group 01.01.2023 to 31.12.2023 RM	Company 01.01.2024 to 31.05.2025 RM	Company 01.01.2023 to 31.12.2023 RM
Cash flows from financing activities	**(a)**				
(Repayment)/Drawdown of term loans		(8,658,355)	(3,396,151)	471,718	-
Repayment of hire purchase payables		(6,835,312)	(1,335,195)	-	-
Repayment of lease liabilities		(2,016,369)	-	-	-
Drawdown of invoice financing		14,910,307	-	-	-
Repayment of banker acceptances		(83,573)	-	-	-
Drawdown of contract financing		28,376,097	-	-	-
Repayment of revolving credit		(5,000,000)	-	-	-
Repayment of recourse factoring		(2,337,401)	(2,424,774)	-	-
Net changes in amount owing to shareholder		1,700,000	-	-	-
Net cash flows from/(used in) financing activities		**20,055,394**	**(7,156,120)**	**471,718**	**-**
Net decrease in cash and cash equivalents		(66,823,538)	(3,234,524)	(186,896)	(282,943)
Cash and cash equivalents at the beginning of the financial period/year		**7,049,814**	**10,284,338**	**205,391**	**488,334**
Cash and cash equivalents at the end of the financial period/year		**(59,773,724)**	**7,049,814**	**18,495**	**205,391**

The accompanying notes form an integral part of these financial statements.

(a) Changes in liabilities arising from financing activities comprise of net cash flows from payment of lease liabilities, net changes in amount due from/to holding company, related companies, related parties and a director during the financial period. There have been no non-cash changes in liabilities arising from financing activities.

	01.01.2024 RM	Cash flows RM	Non-cash Acquisition of subsidiaries RM	Non-cash Others RM	31.05.2024 RM
Group					
Term loans	17,803,981	(8,658,355)	20,375,730	-	29,521,356
Lease liabilities	-	(2,016,369)	2,168,212	826,680	978,523
Hire purchase payables	2,528,762	(6,835,312)	12,165,329	1,999,800	9,858,579
Invoice financing	-	14,910,307	-	-	14,910,307
Bankers' acceptances	-	(83,573)	4,959,940	-	4,876,367
Contract financing	-	28,376,097	41,259,083	-	69,635,180
Revolving credit	5,000,000	(5,000,000)	-	-	-
Recourse factoring	2,339,150	(2,337,401)	-	-	1,749
	27,671,893	18,355,394	80,928,294	2,826,480	129,782,061
Company					
Term loans	-	471,718	-	-	471,718

	01.01.2023 RM	Cash flows RM	Non-cash Acquisition of subsidiaries RM	Non-cash Others RM	31.12.2023 RM
Group					
Term loans	21,200,132	(3,396,151)	-	-	17,803,981
Hire purchase payables	3,683,957	(1,335,195)	-	180,000	2,528,762
Revolving credit	5,000,000	-	-	-	5,000,000
Recourse factoring	4,763,924	(2,424,774)	-	-	2,339,150
	34,648,013	(7,156,120)	-	180,000	27,671,893

(b) Total cash outflows for leases

During the financial period, the Group had total cash outflows for leases of RM36,641,253 (31.12.2023: RM4,469,517).

The accompanying notes form an integral part of these financial statements.

NOTES TO THE **FINANCIAL STATEMENTS**

1. CORPORATE INFORMATION

Taghill Holdings Berhad (formerly known as Siab Holdings Berhad) (the "Company") is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur. The principal place of business of the Company is located at D-21-0, Kinrara Niaga, Jalan BK 5A/2B, Bandar Kinrara, 47180 Puchong, Selangor Darul Ehsan.

The Company is principally engaged in investment holding activity. The principal activities of the subsidiaries are disclosed in Note 10.

There have been no significant changes in the nature of these activities during the financial period.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 September 2025.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), the International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of amendments to MFRSs

The Group and the Company have adopted the following applicable amendments to MFRSs for the current financial period:

Amendments to MFRSs	
MFRS 7	Financial Instruments: Disclosures
MFRS 16	Leases
MFRS 101	Presentation of Financial Statements
MFRS 107	Statements of Cash Flows

The adoption of the above amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and Company's existing accounting policies.

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS, and amendments to MFRSs that have been issued, but yet to be effective

(a) The Group and the Company have not adopted the following new MFRS and amendments to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
<u>New MFRS</u>		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
<u>Amendments to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
MFRS 7	Financial Instruments: Disclosures	1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 107	Statements of Cash Flows	1 January 2026
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

(b) The Group and the Company plan to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group and the Company are summarised below.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including "operating profit", which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures ("MPMs"). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communicates about the entity's financial performance, and any changes made to the MPMs in the year.

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the "operating" category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as "other" to be labelled and/or described in as faithfully representative and precise a way as possible.

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments to MFRSs that have been issued, but yet to be effective (continued)

(c) The initial application of the above new MFRS and amendments to MFRSs is not expected to have material financial impact to the current and prior years financial statements of the Group and the Company.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. In the prior financial year, the financial statements were presented in thousands of RM (RM'000).

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following material accounting policy information have been applied consistently to all the financial years/period presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

(a) Subsidiaries and business combination

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to the Group.

(b) Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at their acquisition-date fair values.

(c) Associates

Investment in associates is accounted for in the consolidated financial statements of the Group using the equity method.

Contributions to associate are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the associate.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries and associates are measured at cost less any accumulated impairment losses.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.3 Financial instruments

Financial assets - subsequent measurement and gains and losses

<u>Debt instruments at amortised cost</u>

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – subsequent measurement and gains and losses

The Group and the Company classify the financial liabilities at amortised cost. The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.4 Property, plant and equipment

Property, plant and equipment (other than freehold land and building and right-of-use assets) are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

All other property, plant and equipment (other than right-of-use assets as disclosed in Note 6) are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Buildings	50 years
Freehold land	50 years
Computer, furniture and fittings, and office equipments	5 - 20 years
Plant and machinery, site equipment, scaffolding & accessories	5 - 15 years
Motor vehicles	5 years
Renovation, signboard and air-cond	2 - 10 years

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.5 Leases

(a) Lessee accounting

The Group presents right-of use assets and lease liabilities as separate lines in the statements of financial position.

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

(b) Lessor accounting

The Group recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term as part of revenue. Rental income from sublease properties is recognised as other income.

3.6 Investment properties

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. All other investment properties are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Buildings	50 years
Leasehold land	68 – 99 years

3.7 Intangible asset

Intangible assets, other than goodwill and licenses, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The intangible assets are amortised using the percentage of completion method.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.8 Revenue and other income

(a) Construction contracts

The Group constructs commercial and industrial properties under long-term contracts with customers. Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the works performed is transferred over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

Billings are made with a credit term of 45 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group become entitled to invoice customers for construction of commercial and industrial properties based on achieving a series of performance-related milestones.

The Group recognises a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognises a contract liability for the difference.

Defect liability period is usually 24 months from the date of Certificate of Practical Completion as provided in the contracts with customers.

(b) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentive granted is recognised as an integral part of the total rental income, over the term of the lease.

(c) Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered because the customer receives and uses the benefits simultaneously. This is determined based on the time elapsed (output method).

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Company's financial statements within the next financial year are disclosed as follows:

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES AND ASSUMPTIONS (CONTINUED)

4.1 Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash generating units to which goodwill is allocated. When value-in-use calculations are undertaken, the Group uses its judgement to decide the discount rates to be applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates, inflation rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than the expected.

The carrying amount of the Group's goodwill and key assumptions used to determine the recoverable amount for different cash-generating units, including sensitivity analysis, are disclosed in Note 8.

4.2 Impairment of trade receivables and contract assets

The impairment provisions for trade receivables and contract assets are based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast of economic conditions over the expected lives of the financial assets and contract assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the impairment losses on the Group's and the Company's financial assets and contract assets are disclosed in Note 29(b)(i).

4.3 Business combination

The Company determines the accounting treatment for acquisition of subsidiary in accordance with MFRS 3 Business Combinations.

In accounting for the acquisition of the subsidiary under MFRS 3, the fair values of the identifiable assets and liabilities acquired, including intangible assets, are recognised. The determination of the fair values of acquired assets and liabilities assumed is based on directors' judgement.

The fair values of the acquired assets and liabilities assumed are disclosed in Note 10(a)(ii).

4.4 Construction revenue

The Group recognised construction revenue in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction revenue and costs, as well as the recoverability of the construction projects.

The carrying amounts of the Group's contract assets and contract liabilities are disclosed in Note 14.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	Buildings RM	Freehold land RM	Computer, furniture and fittings and office equipments RM	Plant and machinery, site equipment, scaffolding and accessories RM	Motor Vehicles RM	Renovation, signboard and air-cond RM	Total RM
Group								
31.05.2025								
Cost								
At 1 January 2024		4,454,645	-	908,745	14,173,194	949,086	343,331	20,829,001
Additions		-	-	266,522	8,500,940	208,800	179,305	9,155,567
Acquisition of subsidiaries	**10**	2,533,334	966,667	808,862	30,124,163	280,035	66,606	34,779,667
Disposals		-	-	-	(9,955,350)	(523,123)	-	(10,478,473)
Written off		(115,022)	-	-	-	-	-	(115,022)
At 31 May 2025		6,872,957	966,667	1,984,129	42,842,947	914,798	589,242	54,170,740
Accumulated depreciation and impairment								
At 1 January 2024		764,016	-	722,953	8,129,883	364,548	167,893	10,149,293
Depreciation charge for the financial period	**25**	293,337	-	495,615	14,826,045	367,063	56,916	16,038,976
Disposals		-	-	-	(9,826,508)	(523,117)	-	(10,349,625)
Written off		(58,470)	-	-	-	-	-	(58,470)
Impairment for the financial period	**25**	-	-	-	-	-	143,800	143,800
At 31 May 2025		998,883	-	1,218,568	13,129,420	208,494	368,609	15,923,974
Carrying amount								
At 31 May 2025		5,874,074	966,667	765,561	29,713,527	706,304	220,633	38,246,766

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Buildings RM	Computer, furniture and fittings and office equipments RM	Plant and machinery, site equipment, scaffolding and accessories RM	Motor Vehicles RM	Renovation, signboard and air-cond RM	Total RM
Group							
31.12.2023							
Cost							
At 1 January 2023		4,454,645	801,810	13,579,455	1,397,882	343,331	20,577,123
Additions		-	108,585	649,299	196,647	-	954,531
Disposals		-	-	-	(645,443)	-	(645,443)
Written off		-	(1,650)	(55,560)	-	-	(57,210)
At 31 December 2023		4,454,645	908,745	14,173,194	949,086	343,331	20,886,211
Accumulated depreciation							
At 1 January 2023		674,923	665,520	6,163,848	778,064	138,060	8,420,415
Depreciation charge for the financial year	**25**	89,093	59,083	2,017,703	231,927	29,833	2,427,639
Disposals		-	-	-	(645,443)	-	(645,443)
Written off		-	(1,650)	(51,668)	-	-	(53,318)
At 31 December 2023		764,016	722,953	8,129,883	364,548	167,893	10,149,293
Carrying amount							
At 31 December 2023		3,690,629	185,792	6,043,311	584,538	175,438	10,679,708

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) During the financial period, the Group acquired property, plant and equipment with an aggregate cost of RM9,155,567 (31.12.2023: RM954,531).

The aggregate cost of property, plant and equipment acquired by means of:

	Group	
	01.01.2024 to 31.05.2025 RM	01.01.2023 to 31.12.2023 RM
Addition to purchase of property, plant and equipment	9,155,567	954,531
Finance by hire purchases payables	(1,999,800)	(180,000)
	7,155,767	774,531

(b) Assets pledged as security

Freehold land and buildings with a carrying amount of RM6,840,741 (31.12.2023: RM3,690,629) have been pledged as security to secure term loans of the Group and of the Company as disclosed in Note 17.

(c) Impairment loss

During the financial period, the Group recognised in profit or loss under other expenses, an impairment loss of RM143,800 in respect of renovation.

6. RIGHT-OF-USE ASSETS

The Group lease several assets including leasehold land, office building, workers' quarters and tenanted land.

Information about leases for which the Group is lessee are presented below:

	Note	Leasehold land RM	Office building RM	Workers quarters RM	Tenanted land RM	Total RM
Group						
31.05.2025						
At 1 January 2024		-	-	-	4,479,226	4,479,226
Acquisition of subsidiaries	**10**	3,330,000	60,006	71,854	1,989,869	5,451,729
Additions		-	486,264	340,416	-	826,680
Depreciation charge for the financial period	**25**	(95,800)	(243,444)	(135,686)	(445,820)	(920,750)
Derecognition of lease		-	(15,993)	(36,378)	(1,133,617)	(1,185,988)
At 31 May 2025		3,234,200	286,833	240,206	4,889,658	8,650,897

	Note	Leasehold land RM	Total RM
31.12.2023			
At 1 January 2023		32,206	32,206
Additions		4,503,565	4,503,565
Depreciation charge for the financial year	**25**	(56,545)	(56,545)
At 31 December 2023		4,479,226	4,479,226

The Group also leases office building and workers quarters with lease term of 2 to 3 years and has options to renew for 1 year.

7. INVESTMENT PROPERTIES

	Note	Leasehold land RM	Buildings RM	Building under construction RM	Office suites RM	Total RM
Group						
Cost						
At 1 January 2023		518,370	5,150,218	-	-	5,668,588
Additions		-	-	1,110,039	-	1,110,039
At 31 December 2023/ 1 January 2024		518,370	5,150,218	1,110,039	-	6,778,627
Acquisition of subsidiaries	**10**	-	-	-	800,000	800,000
Disposals		-	-	(1,110,039)	-	(1,110,039)
At 31 December 2023		518,370	5,150,218	-	800,000	6,468,588
Accumulated depreciation						
At 1 January 2023		86,299	231,856	-	-	318,155
Depreciation charge for the financial year	**25**	6,171	103,004	-	-	109,175
At 31 December 2023/ 1 January 2024		92,470	334,860	-	-	427,330
Depreciation charge for the financial period	**25**	8,742	145,923	-	15,976	170,641
At 31 May 2025		101,212	480,783	-	15,976	597,971
Carrying amount						
At 31 May 2025		417,158	4,669,435	-	784,024	5,870,617
At 31 December 2023		425,900	4,815,358	1,110,039	-	6,351,297

(a) The investment property of the Group with a carrying amount of RM5,870,617 (31.12.2023: RM5,241,258) have been pledged as security to secure a term loan granted to the Group as disclosed in Note 17.

7. INVESTMENT PROPERTIES (CONTINUED)

(b) The following are recognised in profit or loss in respect of investment properties:

	Group	
	31.05.2025	**31.12.2023**
	RM	**RM**
Rental income	684,700	309,013
Direct operating expenses from income generating investment properties	2,668	46,036

(c) Fair value of investment properties is categorised as follows:

	Group	
	Level 3	**Total**
	RM	**RM**
31.05.2025		
Buildings	11,940,000	11,940,000
Leasehold land	7,070,000	7,070,000
Office suite	800,000	800,000
31.12.2023		
Buildings	6,070,000	6,070,000
Leasehold land	1,000,000	1,000,000

There are no Level 1 and Level 2 investment properties or transfers between levels during the financial period (31.12.2023: no transfer in either direction).

Level 3 fair value

The following table shows the valuation technique used in the determination of fair values within Level 3, as well as significant unobservable inputs used in the valuation models.

Description	**Valuation technique**	**Significant unobservable inputs**	**Relationship of unobservable inputs to fair value**
Buildings	Sales comparison approach	Price per square feet	The higher the price per square foot, the higher the value.
Leasehold land	Sales comparison approach	Price per square feet	The higher the price per square foot, the higher the value.
Office suite	Sales comparison approach	Price per square feet	The higher the price per square foot, the higher the value.

7. INVESTMENT PROPERTIES (CONTINUED)

(c) Fair value of investment properties is categorised as follows: (Continued)

Valuation process applied by the Group and the Company

The Group's and the Company's finance department includes a team that performs valuation analysis of land and buildings required for financial reporting purposes, including Level 3 fair values. The fair values of the investment properties were determined by external independent valuers to recent transactions of similar properties.

Highest and best use

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

8. GOODWILL

	Note	Group 31.05.2025 RM
Cost		
Acquisition of subsidiaries, representing balance at end of financial period	**10**	45,141,525

Goodwill arose from the acquisition of Taghill Projects Sdn. Bhd. as disclose in Note 10(a).

Goodwill has been allocated to the Group's cash generating unit ("CGU") identified according to its business segments which is the property development segment.

Goodwill is assessed for impairment at each reporting date regardless of any indication of impairment by comparing the carrying amount with the recoverable amount of each CGU.

The recoverable amount of the CGU is determined based on value-in-use model where management makes an estimate of the expected future cash flows covering 3 years as approved by the Board.

The pre-tax discount rate applied to the cash flows projections is as follow:

	Group 31.05.2025 %
Discount rate	11.92

Key assumptions used in the value in use ("VIU") calculations for goodwill are as follows:

(i) the basis used to determine the future potential earnings are historical revenues, remaining book orders and possible future developments;

(ii) gross margin is the forecasted margin as a percentage of revenue over the three-year projection period. These are based on the average gross margins of the existing projects; and

(iii) discount rate was estimated based on the industry weighted average cost of capital. The discount rate applied to the cash flow projections is pre-tax and reflects management's estimate of the risks specific to the CGUs at the date of assessment.

8. GOODWILL (CONTINUED)

Based on the sensitivity analysis performed, the Group is of the opinion that there are no reasonable possible changes in key assumptions which would cause the carrying values of the CGU to exceed its recoverable amount.

9. OTHER INTANGIBLE ASSET

	Note	Group 31.05.2025 RM
Cost		
At 1 January 2024		-
Acqusition of subsidiaries	**10**	21,746,319
At 31 May 2025		21,746,319
Accumulated amortisation		
At 1 January 2024		
Charge for the financial period	**25**	9,630,187
At 31 May 2025		9,630,187
Carrying amount		
At 31 May 2025		12,116,132

Other intangible asset represents customer contracts arising from acquisition of Taghill Projects Sdn. Bhd.

10. INVESTMENT IN SUBSIDIARIES

	Company	
	31.05.2025 **RM**	**31.12.2023** **RM**
At cost		
Unquoted shares	181,722,608	60,722,508
Less: Accumulated impairment losses	(60,722,608)	(18,498,177)
	121,000,000	42,224,331

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

The movement in accumulated impairment losses is as follows:

		Company	
	Note	31.05.2025 RM	31.12.2023 RM
At 1January 2024/2023		18,498,177	-
Impairment losses recognised during the financial period	25	42,224,431	18,498,177
At 31 May		60,722,608	18,498,177

During the financial period, impairment losses on an investment in subsidiaries of RM42,224,431 (31.12.2023: RM18,498,177) were recognised and included in other expenses line in profit or loss in view of its unfavourable operating performance.

Details of the subsidiaries are as follows:

	Ownership interest		
Name of company	**31.05.2025 %**	**31.12.2023 %**	**Principal activities**
Taghill Projects Sdn. Bhd. ("TPSB")	100	-	Undertake the management of building and construction projects.
Siab (M) Sdn. Bhd. ("SMSB")	100	100	Construction and civil engineering.
Taghill Land Sdn. Bhd. (fka Ufuk Mercu Sdn. Bhd.) * ("TLSB")	100	-	Business of properties development, management of building and construction projects.
Subsidiary of Taghill Projects Sdn. Bhd.			
Bimtech Solutions Sdn. Bhd. ("BSSB")	60	-	Provision of construction technology consultancy and solutions.

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (Continued)

Name of company	Ownership interest 31.05.2025 %	31.12.2023 %	Principal activities
Subsidiaries of Siab (M) Sdn. Bhd.			
Siab Construction Sdn. Bhd. ("SCSB")	100	100	Construction and civil engineering.
Siab Network Solutions Sdn. Bhd. ("SNSSB")	100	100	Providing computer hardware, software, information and communications technology ("ICT") and related support services.
Siab Engineering Sdn. Bhd. ("SESB")	100	100	Providing and maintaining plant and machineries for the usage in construction.
Siab Development Sdn. Bhd. ("SDSB")	100	100	Dormant.

**Incorporated on 27 May 2024 with a paip-up capital of RM100 divided into 100 shares.*

(a) Acquisiton of Taghill Projects Sdn. Bhd.

On 28 June 2024, the Company acquired 100% controlling interest in the equity shares of Taghill Projects Sdn. Bhd. Taghill Projects Sdn. Bhd. undertakes the management of building and construction projects as its core businesses.

(i) Fair value of consideration transferred:

	RM
Cash consideration	96,000,000
200 million ordinary shares of the Company	25,000,000
	121,000,000

The fair value of the 200,000,000 ordinary shares issued as part of the consideration paid for Taghill Projects Sdn. Bhd. was determined on the basis of the closing market price of the Company's ordinary shares of RM 0.125 per share on the acquisition date.

As part of the share sale agreement, the vendors of Taghill Projects Sdn. Bhd. provided a profit guarantee of RM24 million on a cumulative basis over 2 financial years up to the financial year ending 31 December 2025. No contingent consideration asset was recognised as the directors believe that the guaranteed profit is achievable.

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Acquisiton of Taghill Projects Sdn. Bhd. (Continued)

(ii) Fair value of the identifiable assets acquired and liabilities recognised:

	Note	Total RM
Assets		
Property, plant and equipment	**5**	34,779,667
Right-of-use assets	**6**	5,451,729
Investment properties	**7**	800,000
Other intangible asset	**9**	21,746,319
Trade and other receivables		239,133,892
Contract assets		123,421,044
Current tax assets		2,381,058
Cash and bank balances		22,012,962
Total assets		449,726,671
Liabilities		
Term loans		(80,928,294)
Bank overdraft		(70,941,722)
Trade and other payables		(202,555,638)
Contract liabilities		(10,989,846)
Deferred tax liabilities	**12**	(7,777,122)
Current tax liabilities		(151,956)
Total liabilities		(373,344,578)

	Note	Total RM
Total identifiable net assets acquired		76,382,093
Goodwill arising on acquisition	**9**	45,141,525
Non-controlling interest at fair value		(523,618)
Fair value of consideration transferred		121,000,000

The purchase price allocation for acquisitions has been made upon completion of the purchase price allocations within the measurement period of up to 12 months after the acquisition date.

Goodwill

Goodwill arises in view of potential synergy, i.e. improved efficiency and potential cost savings that may be created from this business combination. Goodwill is not amortised but is tested for impairment annually and whenever there is an indication that it may be impaired.

Pursuant to Paragraph 74 of MFRS 138 – Intangible Assets, after initial recognition, an intangible asset shall be carried at its cost less accumulated amortisation and any accumulated impairment losses, if any. Paragraph 97 of MFRS 138 further stipulate that the depreciable amount of an intangible asset with a finite useful life shall be allocated on a systematic basis over its useful life.

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Acquisiton of Taghill Projects Sdn. Bhd. (Continued)

(ii) Fair value of the identifiable assets acquired and liabilities recognised: (Continued)

Acquisition-related costs

Acquisition-related costs of the business combination amounted to RM2,759,487, of which was recognised in profit or loss as administrative expense and RM556,825 relating to share issue was charged directly to equity.

(iii) Effects of acquisition on cash flows:

	RM
Fair value of consideration transferred	121,000,000
Less: Non-cash consideration	(25,000,000)
Consideration paid in cash	96,000,000
Add: Cash and cash equivalents of a subsidiary acquired	48,928,760
Net cash outflows on acquisition	144,928,760

(iv) Effects of acquisition in statements of comprehensive income:

From the date of acquisition, the subsidiaries' contributed revenue and profit net of tax are as follows:

	RM
Revenue	604,337,237
Profit for the financial period	13,436,659

If the acquisition had occurred on 1 January 2024, the consolidated results for the financial period ended 31 May 2025 would have been as follows:

	RM
Revenue	796,060,657
Profit for the financial period	16,660,557

(b) Non-controlling interest in subsidiaries

The financial information of the Group's subsidiaries that have material non-controlling interests are as follows:

	BSSB RM
NCI percentage of ownership interest and voting interest	**30%**
Carring amount of NCI	645,063
Profit allocated to NCI	121,445
Total other comprehensive income allocated to NCI	121,445

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Incorporation of subsidiary Taghill Land Sdn. Bhd.

On 27 May 2024, Ufuk Mercu Sdn. Bhd. was incorporated as a private limited liability company and domiciled in Malaysia.

On 3 September 2024, Ufuk Mercu Sdn. Bhd. became a subsidiary of Taghill Holdings Berhad ("THB") by way of subscription of 100 ordinary shares for a total cash consideration of RM100. Consequently, THB became a direct subsidiary of the Company. The entity was subsequently renamed to Taghill Land Sdn. Bhd. ("TLSB").

11. INVESTMENT IN ASSOCIATE

	Group 31.05.2025 RM
At cost	
Unquoted shares	15,000
Share of post-acquisition shares	61,718
	76,718

Details of associate is as follows:

	Ownership interest		
Name of company	**31.05.2025 %**	**31.12.2023 %**	**Principal activities**
Rect Quantity Surveying Consultant Sdn. Bhd.	30	-	Involved in quantity surveying consultancy.

** Not audited by Baker Tilly Monteiro Heng PLT or an independent member firm of Baker Tilly International.*

(a) The Group does not have any material associate.

(b) The financial year end of the associate is 31 July 2024, which is not coterminous with the Group. As such, for the purpose of applying equity method of accounting, the management accounts of the associate for the financial period ended 31 May 2025 have been used.

12. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Group	
	31.05.2025 RM	**31.12.2023 RM**
Presented after appropriate offsetting as follows:		
Deferred tax assets	-	3,537,533
Deferred tax liabilities	(4,939,534)	(269,831)
	(4,939,534)	3,267,702

12. DEFERRED TAX ASSETS/(LIABILTIES) (CONTINUED)

Movement in temporary differences during the financial period/year:

	Note	As at 01.01.2023 RM	Recognised in profit or loss (Note 27) RM	As at 31.12.2023 RM	Acquisition of subsidiaries (Note 10) RM	Recognised in profit or loss (Note 27) RM	As at 31.05.2025
Deferred tax asset/(liabilities):							
Property, plant and equipment		(870,900)	10,533	(860,367)	(2,310,059)	1,381,751	(1,788,675)
Unabsorbed business losses		3,868,006	-	3,868,006	-	(3,868,006)	-
Unabsorbed capital allowances		294,185	(34,122)	260,063	-	(260,063)	-
Acquisition of subsidiaries	**10**	-	-	-	(5,467,063)	2,316,204	(3,150,859)
Others		60,000	(60,000)	-	-	-	-
		3,351,291	(83,589)	3,267,702	(7,777,122)	(430,114)	(4,939,534)

12. DEFERRED TAX ASSETS/(LIABILTIES) (CONTINUED)

Unrecognised deferred tax assets

Deferred tax assets are only recognised to the extent that it is probable that taxable profits will be available against which the Group can utilise the benefits therefrom.

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	31.05.2025 RM	31.12.2023 RM
Excess of net carrying value over tax written down value of property, plant and equipment	(388,480)	(800,395)
Unutilised tax losses	64,420,563	36,296,011
Unabsorbed capital allowances	3,614,640	2,965,601
Provision	29,783,563	2,800,982
	97,430,286	41,262,199

The availability of unutilised tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

The unutilised tax losses are available indefinitely for offset against future taxable profits of the subsidiaries except for the tax losses which are expiring in the following financial years:

	Group	
	31.05.2025 RM	31.12.2023 RM
- 2032	19,188,547	19,188,547
- 2033	17,107,464	17,107,464
- 2035	28,124,552	-
	64,420,563	36,296,011

13. TRADE AND OTHER RECEIVABLES

	Note	Group 31.05.2025 RM	Group 31.12.2023 RM	Company 31.05.2025 RM	Company 31.12.2023 RM
Trade					
Trade receivables	**(a)**	181,436,640	43,235,819	-	-
Less: Impairment losses for trade receivables		(19,132,971)	(4,048,551)	-	-
		162,303,669	39,187,268	-	-
Retention sums	**(a)**	104,780,035	29,648,182	-	-
Less: Impairment losses for retention sum		(73,199)	(73,199)	-	-
		267,010,505	68,762,251	-	-
Non-trade					
Other receivables		19,323,119	843,316	20,000	4,500
Deposits		9,143,228	1,553,169	1,500	-
Advances to subcontractors		5,860,217	-	-	-
Prepayments		9,390,373	206,392	587,672	-
Amount owing by subsidiaries	**(b)**	-	-	10,228,061	17,201,644
		43,716,937	2,602,877	10,837,233	17,206,144
Total trade and other receivables		310,727,442	71,365,128	10,837,233	17,206,144

(a) Trade receivables/Retention sum

Trade receivables are non-interest bearing and normal credit terms offered by the Group and by the Company are 30 to 120 days (31.12.2023: 30 to 120 days) from the date of invoices. Other credit terms are assessed and approved on a case-by-case basis.

Retention sum is receivable upon the expiry of the defect liability period of the respective construction contracts. The defect liability period of the construction contracts is between 24 to 30 months.

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables/Retention sum (Continued)

Retention sums are unsecured, interest free and are expected to be collected within the operating cycle as follows:

	Group	
	31.05.2025	31.12.2023
	RM	RM
Within 1 year	38,015,279	12,407,910
More than 1 year	66,764,756	17,240,272
	104,780,035	29,648,182

<u>Trade receivables that are impaired</u>

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

		Group	
		31.05.2025	31.12.2023
	Note	RM	RM
At 1 January		4,121,750	1,646,570
Charge for the financial period/year			
- Individually assessed	25	15,406,534	2,475,180
Reversal of impairment losses			
- Collectively assessed	25	(322,114)	-
At 31 May/31 December		19,206,170	4,121,750

Trade receivables that are individually determined to be impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments.

The information about the credit exposures are disclosed in Note 29(b)(i).

(b) Amount owing by subsidiaries

The amount owing by subsidiaries are non-trade in nature, unsecured, interest free, repayable on demand except for loans to subsidiaries of RM10,228,061 (31.12.2023: 17,201,644) which are subject to interest at 6.65% (31.12.2023: 6.65%) per annum.

14. CONTRACT ASSETS/(LIABILITIES)

	Group 31.05.2025 RM	Group 31.12.2023 RM
Contract assets relating to construction contracts	197,017,749	43,421,869
Contract liabilities relating to construction contracts	(15,983,320)	(1,702,817)
	181,034,429	41,719,052

(a) Significant changes in contract balances

	Group 31.05.2025		Group 31.12.2023	
	Contract assets increase/ (decrease) RM	Contract liabilities (increase)/ decrease RM	Contract assets increase/ (decrease) RM	Contract liabilities (increase)/ decrease RM
Group				
Revenue recognised that was included in contract liability at the beginning of the financial year	-	1,702,817	-	6,871,679
Increases due to progress billings, but revenue not recognised	-	(15,983,320)	-	(1,702,817)
Increases as a result of changes in the measure of progress	197,017,749	-	31,900,439	-
Transfers from contract assets recognised at the beginning of the period to receivables	(43,421,869)	-	(30,121,497)	-

15. CASH AND SHORT-TERM DEPOSITS

	Note	Group 31.05.2025 RM	Group 31.12.2023 RM	Company 31.05.2025 RM	Company 31.12.2023 RM
Fixed deposits with licensed banks	**(a)**	48,854,982	13,726,751	-	-
Cash and bank balances		22,595,740	5,167,199	18,495	205,391
		71,450,722	18,893,950	18,495	205,391

(a) For the purpose of the statements of cash flows, cash and cash equivalents comprise of the following:

	Group 31.05.2025 RM	Group 31.12.2023 RM	Company 31.05.2025 RM	Company 31.12.2023 RM
Short-term deposits	48,854,982	13,726,751	-	-
Less: Pledged deposits	(47,738,619)	(10,660,751)	-	-
	1,116,363	3,066,000	-	-
Cash and bank balances	22,595,740	5,167,199	18,495	205,391
Bank overdraft	(83,485,827)	(1,183,385)	-	-
	(59,773,724)	7,049,814	18,495	205,391

Included in the deposits placed with licensed banks of the Group, RM47,738,619 (31.12.2023: RM10,660,751) is pledged to licensed banks as securities as disclosed in Note 17.

16. SHARE CAPITAL AND MERGER RESERVES

(a) Share capital

	Group and Company			
	Amount 31.05.2025 RM	Number of ordinary shares 31.05.2025 Unit	Amount 31.12.2023 RM	Number of ordinary shares 31.12.2023 Unit
Issued and fully paid-up (no par value):				
At 1 January	84,035,818	589,634,083	72,335,818	489,634,083
Issuance of shares during the financial period/year through:				
- rights issue with free warrants	91,982,917	766,524,307	-	-
- acqusition of subsidiaries	25,000,000	200,000,000	-	-
- private placement	-	-	12,000,000	100,000,000
Transaction costs of share issue	(2,759,487)	-	(300,000)	-
Allocated to warrant reserve	(5,602,917)	-	-	-
At 31 May/ 31 December	192,656,331	1,556,158,390	84,035,818	589,634,083

During the financial period ended 31 May 2025, the issued share capital of the Company increased from 589,634,083 ordinary shares to 1,556,158,390 ordinary shares pursuant to:

- the issuance of 766,524,307 new ordinary shares on 25 June 2024 as rights issue ("Right Shares") at an issue price of RM0.12 per Right Shares, together with 383,262,153 free detachable warrants on the basis of 13 Rights Shares for every 10 existing ordinary shares held on 23 May 2024, together with 1 warrant for every 2 Rights Shares subscribed for the purpose of acquisition of subsidiaries and working capital; and
- the issuance of 200,000,000 new ordinary shares on 27 June 2024 as consideration shares for the acquisition of 2,000,000 ordinary shares representing 100.00% of the equity interest in Taghill Projects Sdn. Bhd. at an issue price of RM0.13 per share as partial payment for the purchase consideration for the acquisition of subsidiaries pursuant to a share sale agreement dated 15 September 2023. For the purpose of accounting for the share consideration, the fair value of RM0.125 per share as at the date of completion was recorded instead of the issued price of RM0.13 per share.

In the previous financial year, the Company issued 100,000,000 new ordinary shares to eligible investors at an issue price of RM0.12 per share pursuant to the private placement.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group and of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

16. SHARE CAPITAL AND MERGER RESERVES (CONTINUED)

(b) Other reserves

	Group		Company	
	31.05.2025 RM	31.12.2023 Unit	31.05.2025 RM	31.12.2023 Unit
Merger reserve	(35,722,508)	(35,722,508)	-	-
Warrant reserve	5,602,917	-	5,602,917	-
	(30,119,591)	(35,722,508)	5,602,917	-

(i) Merger reserve

In the event where a new company is formed to facilitate a restructuring exercise, in which the new company itself is not a business, book value accounting is applied. The assets and liabilities acquired are recognised in the consolidated financial statements at their respective carrying amounts as if the restructuring had occurred before the start of the earliest period presented. The other components of equity of the acquired entities are added to the same components within the Group equity.

The merger reserve comprises the difference between cost of investment recorded by the Company and the share capital of Siab (M) arising from the restructuring exercise during the year ended 31 December 2021.

(ii) Warrant reserve

	Group and Company	
	Amount 31.05.2025 RM	Amount 31.12.2023 RM
Warrant reserve	5,602,917	-

The warrant reserve relates to the portion of proceeds from the rights shares issue ascribed to the attached warrants. As and when the warrants are exercised, the related balance in the warrant reserve will be transferred to the share capital account. Each warrant carries the right to subscribe for one (1) new ordinary share in the capital of the Company at an exercise price of RM0.035. The warrants will be expired on 19 June 2029 and the balances in the warrant reserve will be fully transferred to retained earnings upon expiry.

17. LOANS AND BORROWINGS

		Group		Company	
	Note	31.05.2025 RM	31.12.2023 RM	31.05.2025 RM	31.12.2023 RM
Non-current					
Term loans	(a)	11,309,657	-	382,892	-
Hire purchase payables	(b)	3,970,847	1,318,637	-	-
Lease liabilities	(c)	178,100	-	-	-
		15,458,604	1,318,637	382,892	-
Current					
Term loans	(a)	18,211,699	17,803,981	88,826	-
Hire purchase payables	(b)	5,887,732	1,210,125	-	-
Lease liabilities	(c)	800,423	-	-	-
Invoice financing	(d)	14,910,307	-	-	-
Bankers' acceptances	(d)	4,876,367	-	-	-
Contract financing	(d)	69,635,180	-	-	-
Bank overdraft	(d)	83,485,827	1,183,385	-	-
Revolving credit	(d)	-	5,000,000	-	-
Recourse factoring	(e)	1,749	2,339,150	-	-
		197,809,284	27,536,641	88,826	-

17. LOANS AND BORROWINGS (CONTINUED)

	Note	Group 31.05.2025 RM	Group 31.12.2023 RM	Company 31.05.2025 RM	Company 31.12.2023 RM
Total loans and borrowings					
Term loans	**(a)**	29,521,356	17,803,981	471,718	-
Hire purchase payables	**(b)**	9,858,579	2,528,762	-	-
Lease liabilities	**(c)**	978,523	-	-	-
Invoice financing	**(d)**	14,910,307	-	-	-
Bankers' acceptances	**(d)**	4,876,367	-	-	-
Contract financing	**(d)**	69,635,180	-	-	-
Bank overdraft	**(d)**	83,485,827	1,183,385	-	-
Revolving credit	**(d)**	-	5,000,000	-	-
Recourse factoring	**(e)**	1,749	2,339,150	-	-
		213,267,888	28,855,278	471,718	-

(a) Term loans

Security

The term loans are secured by the following:

(i) first party open charge over the freehold land and building of the Group as disclosed in Note 5;

(ii) corporate guarantee by the holding company or joint and several guarantee by the directors;

(iii) legal charge over an investment property of the Group as disclosed in Note 7;

(iv) assignment of Life Takaful Policy; and

(v) guaranteed by SJPP under the Danajamin PRIHATIN Guarantee Scheme.

Siab (M) Sdn. Bhd. ("SMSB") and Siab Construction Sdn. Bhd. ("SCSB") had secured term loans that amount to RM12,774,240 at 31 May 2025. According to the terms of the agreements, the term loans are repayable in tranches over the next 3 to 12 years.

These loan agreements contain the following financial covenants:

(i) SMSB's and SCSB's net debt (in the covenant defined as the subsidiary's loans and borrowings) cannot exceed 1 time of total equity. At 31 May 2025, the said subsidiaries' gearing ratio was 1.03 times.

(ii) at all time, the subsidiaries tangible net worth is to be maintained at not less than RM20 million. At 31 May 2025, the said subsidiaries' net assets (representing the tangible net worth) was RM22,244,886.

Based on the terms of the agreements, if there is a breach or default in any loan, the term loan will immediately become payable on demand. Consequently, the term loans have been classified as current liabilities.

The Group is in the midst of applying for indulgence on non-compliance for the remaining outstanding balance.

17. LOANS AND BORROWINGS (CONTINUED)

(b) Lease liabilities

Future minimum lease payments under finance leases together with the present value of net minimum lease payable are as follows:

	Group 31.05.2025 RM
Minimum lease payment:	
Not later than one year	856,500
Later than one year not later than one year	158,049
	1,014,549
Less: Future finance charges	(36,026)
Present value of minimum lease payment	978,523
Present value of minimum lease payments:	
Not later than one year	800,423
Later than one year not later than one year	178,100
	978,523
Less: Amount due within twelve months	(800,423)
Amount due after twelve months	178,100

(c) Hire purchase payables

	Group	
	31.05.2025 RM	31.12.2023 RM
Minimum hire purchase payment:		
Not later than one year	6,328,982	1,310,976
Later than one year not later than one year	4,129,352	1,359,674
	10,458,334	2,670,650
Less: Future finance charges	(599,755)	(141,888)
Present value of minimum hire purchase payment	9,858,579	2,528,762

17. LOANS AND BORROWINGS (CONTINUED)

(c) Hire purchase payables (Continued)

Hire purchase payables of the Group bear effective interest rate ranging from 2.35% to 6.78% (31.12.2023: 2.35% to 6.79%) per annum.

	Group 31.05.2025 RM	Group 31.12.2023 RM
Present value of minimum hire purchase payments:		
Not later than one year	5,887,732	1,210,125
Later than one year not later than one year	3,970,847	1,318,637
	9,858,579	2,528,762
Less: Amount due within twelve months	(5,887,732)	(1,210,125)
Amount due after twelve months	3,970,847	1,318,637

(d) Bankers' acceptances, contract financing, bank overdraft, and revolving credit

<u>Bankers' acceptances</u>

Bankers' acceptances of the Group bears interest ranging from 5.47% to 5.71% (31.12.2023: 5.39% to 5.62%) and are secured and supported as follows:

(i) corporate guarantee by the holding company or joint and several guarantee by the directors;

(ii) legal charge over an investment property of the Group as disclosed in Note 7; and

(iii) legal charge over short-term deposits of the Group as disclosed in Note 15.

<u>Contract financing</u>

Contract financing of the Group bears interest ranging from 7.09% - 7.74% (31.12.2023: 6.90% to 7.74%) and are secured and supported as follows:

(i) first party charge over shot-term deposit, receivables, designated collection accounts, sinking fund accounts;

(ii) corporate guarantee by the holding company or joint and several guarantee by the directors;

(iii) legal charge over construction projects of the Group; and

(iv) deed of assignment over contract proceeds between the borrower and the bank.

17. LOANS AND BORROWINGS (CONTINUED)

(d) Bankers' acceptances, contract financing, bank overdraft, and revolving credit (Continued)

Bank overdraft

Bank overdraft of the Group bears interest ranging from BLR plus 0.75% to 1.5% (31.12.2023: BLR plus 1% to 1.5%) and are secured and supported as follows.

(i) pledge over fixed deposits disclosed in Note 15;

(ii) pledged against assignment of rental proceeds;

(iii) pledged against deed of assignment of investment properties disclosed in Note 7;

(iv) first party charge over short-term deposit, receivables, designated collection;

(v) accounts, sinking fund accounts;

(vi) corporate guarantee by the holding company or joint and several guarantee by the directors;

(vii) legal charge over investment property of the Group disclosed in Note 7; and

(viii) deduction of 2% - 5% from sinking fund of each contract proceeds received and placed in first party short-term deposit.

Revolving credit

The revolving credit facility is secured by pledge over fixed deposits disclosed in Note 15.

(e) Recourse factoring

The Group has entered into a domestic recourse factoring arrangement with a licensed bank ("the facility").

Based on the facility, the licensed bank agrees that upon issuance of invoice to the participating customer, the licensed bank is to pay a partial amount of the invoice to the Group and the Company. Subsequently, when payment is made by the participating customer to the licensed bank, the remaining invoice amount (net of other bank charges) shall be released by the licensed bank to the Group.

Should the customer fail to pay the outstanding receivables to the licensed bank upon its due date, the Group will be required to make payment to the licensed bank on the next business day after the due date. As the Group retains substantially all the risks and rewards associated with the customers, the receivables do not qualify for derecognition. Instead, the transaction is accounted for as a collateralised borrowing.

The recourse factoring facility is secured by pledge over fixed deposits disclosed in Note 15.

18. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	31.05.2025 RM	31.12.2023 RM	31.05.2025 RM	31.12.2023 RM
Trade					
Trade payables	(a)	333,453,690	84,848,956	-	-
Non-trade					
Other payables		4,493,046	852,423	1,080,786	494,657
Accruals		6,608,317	301,696	41,750	51,000
Amount owing to a shareholder	(b)	1,700,000	-	-	-
Amount owing to subsidiaries	(c)	-	-	1,024,994	-
		12,801,363	1,154,119	2,147,530	545,657
Total trade and other payables		346,255,053	86,003,075	2,147,530	545,657

(a) Trade payables

Trade payables are non-interest bearing and normal trade credit terms granted to the Group and the Company ranges from 30 to 120 days (31.12.2023: 30 to 120 days).

Retention sum are payable upon the expiry of the defect liability period of the respective construction contracts. The defect liability period of the construction contracts is between the 24 to 30 months.

(b) Amount owing to a shareholder

Amount owing to a shareholder is non-trade in nature, unsecured, non-interest bearing, repayable on demand and is expected to be settled in cash.

(c) Amount owing to subsidiaries

Amount owing to subsidiaries are non-trade in nature, unsecured, non-interest bearing, repayable on demand and is expected to be settled in cash.

For explanation on the Group’s and the Company’s liquidity risk management processes, refer to Note 29(b)(ii).

19. PROVISIONS

	Note	Liquidated ascertained damanges RM
Group		
At 1 January 2024/31 December 2023		-
Recognised in profit and loss	**25**	8,600,000
At 31 May 2025		8,600,000

Provision for liquidated ascertained damages ("LAD") of construction projects are estimated based on the terms of contracts with customers.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

20. REVENUE

	Group	
	01.01.2024 to 31.05.2025 RM	01.01.2023 to 31.12.2023 RM
Construction contracts	792,122,604	202,427,451
Consultancy services fee	3,820,721	-
ICT solutions	7,499	617,763
Hardware and software and IT services	19,743	6,060
	795,970,567	203,051,274
Timing of revenue recognition:		
At a point in time	19,743	6,060
Over time	795,950,824	203,045,214
	795,970,567	203,051,274

21. COST OF SALES

	Group	
	01.01.2024 to 31.05.2025 RM	01.01.2023 to 31.12.2023 RM
Construction contracts	763,246,068	210,267,797
Consultancy services fee	2,825,637	-
ICT solutions	3,339	133,850
Hardware and software and IT services	18,832	2,143
	766,093,876	210,403,790

22. OTHER INCOME

	Group	
	01.01.2024 to 31.05.2025 RM	01.01.2023 to 31.12.2023 RM
Gain on disposal of:		
- property, plant and equipment	128,848	74,999
- other investment	-	74,883
Rental income from investment properties	684,700	309,013
Gain on remeasurement of right-of-use assets	5,369	-
Fair value gain on other investment	-	1,158,437
Sundry income	2,348,465	206,743
	3,167,382	1,824,075

23. FINANCE INCOME

	Group		Company	
	01.01.2024 to 31.05.2025 RM	01.01.2023 to 31.12.2023 RM	01.01.2024 to 31.05.2025 RM	01.01.2023 to 31.12.2023 RM
Interest income from:				
- short-term deposits	1,978,166	894,502	5,520	5,119
- intercompany	-	-	1,153,332	467,878
	1,978,166	894,502	1,158,852	472,997

24. FINANCE COSTS

	Group		Company	
	01.01.2024 to 31.05.2025 RM	01.01.2023 to 31.12.2023 RM	01.01.2024 to 31.05.2025 RM	01.01.2023 to 31.12.2023 RM
Interest expense on:				
- term loans	1,740,172	880,969	19,930	-
- lease liabilities	14,504	-	-	-
- hire purchase payables	60,801	145,059	-	-
- bankers' acceptances	164,846	268,134	-	-
- bank overdraft	7,356,194	892,660	-	-
- contract financing	43,473	-	-	-
- bank guarantee fee	341,581	-	-	-
- recourse factoring	36,044	419,804	-	-
	9,757,615	2,606,626	19,930	-

25. LOSS BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged in arriving at loss before tax:

		Group		Company	
	Note	01.01.2024 to 31.05.2025 RM	01.01.2023 to 31.12.2023 RM	01.01.2024 to 31.05.2025 RM	01.01.2023 to 31.12.2023 RM
Auditors' remuneration - statutory audit:					
- Baker Tilly Monteiro Heng PLT		388,000	-	17,000	-
- other auditors		-	195,000	-	20,000
Other services:					
- Baker Tilly Monteiro Heng PLT		5,000	-	5,000	-
- other auditors		-	51,430	-	20,085
Depreciation of:					
- property, plant and equipment	**5**	16,038,976	2,427,639	-	-
- right-of-use assets	**6**	920,750	56,545	-	-
- investment properties		170,641	109,175		
Amortisation of intangible asset	**9**	9,630,187	-	-	-
Property, plant and equipment written off		56,552	3,892	-	-
Impairment losses on:					
- trade receivables	**13**	15,406,534	2,475,180	-	-
- investments in subsidiaries		-	-	42,224,431	18,498,177
- contract assets		8,146,037	4,566,290	-	-
- property, plant and equipment		143,800	-	-	-
Reversal of impairment losses on trade receivables		(322,114)	-	-	-
Employee benefits expenses	**26**	45,433,210	7,050,033	381,364	264,903
Loss on derecognition of right-of-use assets		1,185,988	-	-	-
Expenses relating to short term lease		2,093,861	1,166,065	-	-
Expenses relating to leases of low-value assets		898,065	46,036	-	-
Expenses relating to variable lease payments not included in the measurement of lease liabilities		32,081,326	3,257,416	-	-
Provision for liquidated ascertained damages	**19**	8,600,000	-	-	-

26. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	01.01.2024 to 31.05.2025 RM	01.01.2023 to 31.12.2023 RM	01.01.2024 to 31.05.2025 RM	01.01.2023 to 31.12.2023 RM
Directors' fee	380,589	264,903	381,364	264,903
Salaries, allowances and bonuses	40,398,236	5,250,033	-	-
Defined contribution plans	3,493,859	744,338	-	-
Other staff related expenses	1,160,527	790,759	-	-
	45,433,210	7,050,033	381,364	264,903

Included in employee benefits are directors' remuneration as follows:

	Group		Company	
	01.01.2024 to 31.05.2025 RM	01.01.2023 to 31.12.2023 RM	01.01.2024 to 31.05.2025 RM	01.01.2023 to 31.12.2023 RM
Directors of the Company:				
- Fee	380,589	264,903	381,364	264,903
- Salaries, allowances, bonuses	3,327,581	1,800,000	-	-
- Defined contribution plans	466,757	345,477	-	-
- Benefit-in-kind	9,000	-	-	-
	4,183,927	2,410,380	381,364	264,903

27. INCOME TAX EXPENSE/(CREDIT)

The major components of income tax expense for the financial period/year ended 31 May 2025 and 31 December 2023 are as follows:

	Group		Company	
	01.01.2024 to 31.05.2025 RM	01.01.2023 to 31.12.2023 RM	01.01.2024 to 31.05.2025 RM	01.01.2023 to 31.12.2023 RM
Statements of comprehensive income				
Current income tax:				
- Current income tax charge	5,826,154	19,834	152,067	19,834
- Adjustment in respect of prior year	74,490	(196,745)	77,727	(199,830)
	5,900,644	(176,911)	229,794	(179,996)
Deferred tax: (Note 12)				
- (Reversal)/Origination of temporary differences	(1,437,122)	126,216	-	-
- Adjustment in respect of prior year	1,867,236	(42,627)	-	-
	430,114	83,589	-	-
Income tax expense/(credit) recognised in profit or loss	6,330,758	(93,322)	229,794	(179,996)

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (31.12.2023: 24%) of the estimated assessable profit for the financial period/year.

27. INCOME TAX EXPENSE/CREDIT (CONTINUED)

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense/(credit) are as follows:

	Group		Company	
	31.05.2025 RM	31.12.2023 RM	31.05.2025 RM	31.12.2023 RM
Loss before tax	(49,188,661)	(22,743,134)	(43,973,159)	(19,664,323)
Tax at Malaysian statutory income tax rate of 24% (31.12.2023: 24%)	(11,805,279)	(5,458,352)	(10,553,558)	(4,719,438)
Adjustments:				
- Income not subject to tax	(2,376,359)	(413,449)	(1,325)	-
- Non-deductible expenses	5,090,329	1,190,741	10,706,950	4,739,272
- Deferred tax assets not recognised during the period/year	13,480,341	4,827,110	-	-
- Adjustment in respect of current income tax of prior year	74,490	(196,745)	77,727	(199,830)
- Adjustment in respect of deferred tax of prior year	1,867,236	(42,627)	-	-
Income tax expense/(credit)	6,330,758	(93,322)	229,794	(179,996)

28. LOSS PER ORDINARY SHARE

Basic loss per ordinary share

The calculation of basic loss per ordinary share was based on the loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	01.01.2024 to 31.05.2025	01.01.2023 to 31.12.2023
Loss for the financial period/year attributable to owners/ordinary shareholders of the Company (RM)	(55,640,864)	(22,649,812)
Weighted average number of ordinary shares for basic earnings per share (unit)	1,228,439,498	491,278,000
Basic loss per share (sen)	(4.53)	(4.61)

Diluted loss per ordinary share

Diluted loss per ordinary share as at 31 May 2025 and 31 December 2023 are identical with basic loss per ordinary share as the effect of potential ordinary shares is anti-dilutive.

29. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statement of financial position by the classes of financial instruments to which they are assigned as amortised cost:

	Carrying amount RM	Amortised Cost RM
At 31 May 2025		
Financial assets		
Group		
Trade and other receivables*	295,476,852	295,476,852
Cash and bank balances	71,450,722	71,450,722
	366,927,574	366,927,574
Company		
Trade and other receivables*	10,249,561	10,249,561
Cash and bank balances	18,495	18,495
	10,268,056	10,268,056
Financial liabilities		
Group		
Loans and borrowings^	212,289,365	212,289,365
Trade and other payables	346,255,053	346,255,053
	558,544,418	558,544,418
Company		
Loans and borrowings^	471,718	471,718
Trade and other payables	2,147,530	2,147,530
	2,619,248	2,619,248

29. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (Continued)

The following table analyses the financial instruments in the statement of financial position by the classes of financial instruments to which they are assigned as amortised cost: (Continued)

	Carrying amount RM	Amortised Cost RM
At 31 December 2023		
Financial assets		
Group		
Trade and other receivables*	71,158,736	71,158,736
Cash and bank balances	18,893,950	18,893,950
	90,052,686	90,052,686
Company		
Trade and other receivables*	17,206,144	17,206,144
Cash and bank balances	205,391	205,391
	17,411,535	17,411,535
Financial liabilities		
Group		
Loans and borrowings^	28,855,278	28,855,278
Trade and other payables	86,003,075	86,003,075
	114,858,353	114,858,353
Company		
Trade and other payables	545,657	545,657

** Excluded prepayments and advances to subcontractors.*

^ Excluded lease liabilities.

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for its shareholders. The Group and the Company do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Company's key senior management.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on their obligations. The Group and the Company are exposed to credit risk from their operating activities (primarily trade receivables) and from their financing activities, including deposits with banks and financial institutions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

The Group and the Company consider a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than credit term unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

At the end of the reporting period, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Those events evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, including a default event;
- a concession or restructuring of loans granted by the lender of the counterparty;
- relating to the counterparty's financial difficulty; or
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group and the Company's procedure for recovery of amounts due.

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit risk (Continued)

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by their carrying amounts in the statement of financial position.

The carrying amounts of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group and the Company consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

At the end of the reporting period, the Group has a significant concentration of credit risk in the form of 3 (31.12.2023: 3) trade receivables, representing approximately 45% (31.12.2023: 49%) of the Group's total trade receivables.

The Group and the Company applies the simplified approach to providing for impairment losses prescribed by MFRS 9 Financial Instruments, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. To measure the impairment losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows:

	Gross carrying amount RM	Loss allowance RM	Net balance RM
Group			
At 31 May 2025			
Trade receivables			
Retention sum	104,780,035	-	104,780,035
Current (not past due)	69,687,710	-	69,687,710
1 - 30 days past due	33,460,290	-	33,460,290
31 - 60 days past due	14,777,452	-	14,777,452
61 - 90 days past due	7,806,640	-	7,806,640
More than 90 days past due	36,498,378	-	36,498,378
	267,010,505	-	267,010,505
Credit impaired			
Individually impaired	19,206,170	(19,206,170)	-
	286,216,675	(19,206,170)	267,010,505
Trade receivables	286,216,675	(19,206,170)	267,010,505
Contract assets	209,730,076	(12,712,327)	197,017,749
	495,946,751	(31,918,497)	464,028,254

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit risk (Continued)

Credit risk concentration profile (Continued)

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows: (Continued)

	Gross carrying amount RM	Loss allowance RM	Net balance RM
Group			
At 31 December 2023			
Trade receivables			
Retention sum	29,574,983	-	29,574,983
Current (not past due)	9,632,464	-	9,632,464
1 - 30 days past due	5,649,498	-	5,649,498
31 - 60 days past due	2,357,702	-	2,357,702
61 - 90 days past due	475,534	-	475,534
More than 90 days past due	21,072,070	-	21,072,070
	68,762,251	-	68,762,251
Credit impaired			
Individually impaired	4,121,750	(4,121,750)	-
	72,884,001	(4,121,750)	68,762,251
Trade receivables	72,884,001	(4,121,750)	68,762,251
Contract assets	47,988,159	(4,566,290)	43,421,869
	120,872,160	(8,688,040)	112,184,120

Other receivables and other financial assets (Continued)

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial asset is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit risk (Continued)

Other receivables and other financial assets (Continued)

The Group and the Company consider these financial assets to have low credit risk and any loss allowance would be negligible. The Group and the Company did not recognise any loss allowance for impairment for other receivables and other financial assets.

Financial guarantee contracts

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, Revenue from Contracts with Customers.

Risk management objectives, policies and processes for managing the risk

The Group and the Company provide unsecured financial guarantees to contract customers in relation to construction contracts. The Group and the Company provide unsecured financial guarantees to banks and suppliers in respect of banking and credit facilities granted to its subsidiaries. The Group and the Company monitor the ability of the subsidiaries to service their loans and payables on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk of the Group and of the Company amounts to RM109,131,493 (31.12.2023: RM15,067,389) and RM10,343,340 (31.12.2023: RM34,099,503) respectively under Siab (M) Sdn. Bhd. and Siab Construction Sdn. Bhd., representing the outstanding performance guarantees of the Group and the outstanding banking and credit facilities of the subsidiaries as at the end of the reporting period.

Recognition and measurement of impairment loss

As at the end of the reporting period, probability of the default of the Group and of its subsidiaries is low and no allowance of impairment is recognised. These contract customers and subsidiaries have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

The financial guarantees have not been recognised since the fair value on initial recognition and the associated loss allowances, if any, is not material.

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit risk (Continued)

Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Group and the Company provide unsecured loans to its subsidiaries. The Group and the Company monitor the ability of the subsidiaries to repay the non-trade amount due from and loans on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These non-trade amount due from and loans are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

Generally, the Group and the Company consider the non-trade amount due from and loans to subsidiaries to have low credit risk. The Group and the Company assume that there is a significant increase in credit risk when subsidiaries' financial position deteriorates significantly. As the Group and the Company is able to determine the timing of payments of the amount due from and loans when they are payable, the Group and the Company consider the non-trade amount due from and loans to be in default when the subsidiaries are not able to pay when demanded. The Group and the Company consider the amount due from and loans to a subsidiary to be credit impaired when:

- the subsidiary is unlikely to repay its non-trade amount due and loan to the Company in full; or
- the subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Group and the Company determine the probability of default for these non-trade amount due from and loans individually using internal information available.

As at the end of the reporting period, there was no indication that the inter-company balances are not recoverable. As these amounts are considered to have low credit risk, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arises principally from trade and other payables and loans and borrowings.

The Group and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investments and minimise cost on borrowed funds. The Group's and the Company's finance department also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(ii) Liquidity risk (Continued)

Maturity analysis

The maturity analysis of the Group and of the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

	Carrying amount RM	Contractual cash flows: On demand or within 1 year RM	Contractual cash flows: Between 1 and 5 years RM	Contractual cash flows: More than 5 years RM	Contractual cash flows: Total RM
Group					
At 31 May 2025					
Trade and other payables	346,255,053	346,255,053	-	-	346,255,053
Lease liabilities	978,523	856,500	158,049	-	1,014,549
Hire purchase payables	9,858,579	6,328,982	4,124,779	4,575	10,458,336
Term loans	29,521,356	20,410,837	10,350,249	6,643,922	37,405,008
Invoice financing	14,910,307	14,910,307	-	-	14,910,307
Bankers' acceptances	4,876,367	4,876,367	-	-	4,876,367
Contract financing	69,635,180	69,635,180	-	-	69,635,180
Bank overdraft	83,485,827	83,485,827	-	-	83,485,827
Recourse factoring	1,749	1,749	-	-	1,749
	559,522,941	546,760,802	14,633,077	6,648,497	568,042,376

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(ii) Liquidity risk (Continued)

Maturity analysis (Continued)

The maturity analysis of the Group and of the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows: (Continued)

		Contractual cash flows			
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 5 years RM	More than 5 years RM	Total RM
Group					
At 31 December 2023					
Trade and other payables	86,003,075	86,003,075	-	-	86,003,075
Hire purchase payables	2,528,762	1,310,976	1,116,338	246,456	2,673,770
Term loans	17,803,981	20,601,908	-	-	20,601,908
Revolving credit	5,000,000	5,000,000	-	-	5,000,000
Bank overdraft	1,183,385	1,183,385	-	-	1,183,385
Recourse factoring	2,339,150	2,339,150	-	-	2,339,150
	114,858,353	116,438,494	1,116,338	246,456	117,801,288

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(ii) Liquidity risk (Continued)

Maturity analysis (Continued)

The maturity analysis of the Group and of the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows: (Continued)

		Contractual cash flows			
	Carrying amount RM	**On demand or within 1 year RM**	**Between 1 and 5 years RM**	**More than 5 years RM**	**Total RM**
Company					
At 31 May 2025					
Trade and other payables	2,147,530	2,147,530	-	-	4,295,060
Term loans	471,718	118,383	118,383	315,688	1,024,172
	2,619,248	2,265,913	118,383	315,688	5,319,232
At 31 December 2023					
Trade and other payables	545,657	545,657	-	-	545,657

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities.

The foreign currency in which these transactions are denominated are mainly United States Dollar ("USD").

The Group's unhedged financial assets and liabilities that are not denominated in their functional currencies are as follows:

	Group	
	31.05.2025	31.12.2023
	RM	RM
Trade receivables		
- USD	60,000	-

Sensitivity analysis for foreign currency risk

The Group's principal foreign currency exposure relates mainly to USD.

No sensitivity analysis for foreign currency risk is prepared at the end of reporting period as the Group does not have significant exposure to foreign currency risk.

(iv) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its loans and borrowings with floating interest rates.

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iv) Interest rate risk (Continued)

Sensitivity analysis of interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's and the Company's total equity and profit for the financial period.

	Carrying amount RM	Movement in basis points	Effect on profit and equity for the financial period/year RM
Group			
At 31 May 2025			
Term loans	29,521,356	+ 50	(1,121,812)
		- 50	1,121,812
Invoice financing	14,910,307	+ 50	(566,592)
		- 50	566,592
Bankers' acceptance	4,876,367	+ 50	(185,302)
		- 50	185,302
Contract financing	69,635,180	+ 50	(2,646,137)
		- 50	2,646,137
Bank overdraft	83,485,827	+ 50	(3,172,461)
		- 50	3,172,461
Recourse factoring	1,749	+ 50	(66)
		- 50	66

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(iv) Interest rate risk (Continued)

Sensitivity analysis of interest rate risk (Continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's and the Company's total equity and profit for the financial period. (Continued)

	Carrying amount RM	Movement in basis points	Effect on profit and equity for the financial period/year RM
Group			
At 31 December 2023			
Term loans	17,803,981	+ 50	(676,551)
		- 50	676,551
Revolving credit	5,000,000	+ 50	(190,000)
		- 50	190,000
Bank overdraft	1,183,385	+ 50	(44,969)
		- 50	44,969
Recourse factoring	2,339,150	+ 50	(88,888)
		- 50	88,888

(c) Fair value measurement

The carrying amounts of cash and cash equivalents, short-term receivables and payables, lease liabilities are reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

There were no transfers between the fair value measurement hierarchy during the financial period.

29. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurement(Continued)

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments:

	Carrying amount RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group					
At 31 May 2025					
Financial liabilities					
Term loans	29,521,356	-	-	29,521,356	29,521,356
Hire purchase	9,858,579	-	-	9,858,579	9,858,579
	39,379,935	-	-	39,379,935	39,379,935
At 31 December 2023					
Financial liabilities					
Term loans	17,803,981	-	-	17,803,981	17,803,981
Hire purchase	2,528,762	-	-	2,528,762	2,528,762
	20,332,743	-	-	20,332,743	20,332,743
Company					
At 31 May 2025					
Financial liabilities					
Term loans	471,718	-	-	471,718	471,718

Level 3 fair value

<u>Fair value of financial instruments not carried at fair value</u>

The fair value of liability component of term loans is calculated based on the present value of future principal and interest cash flows, discounted at the market interest rate of similar liabilities.

30. RELATED PARTIES

(a) Identity of related parties

Parties are considered to be related to the Group and the Company if the Group and the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group and of the Company include:

(i) Subsidiaries;
(ii) Related companies;
(iii) Entity in which directors have substantial financial interest; and
(iv) Key management personnel which comprise persons (including directors of the Company) having the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

(b) Significant related parties transactions

Significant related parties transactions other than disclosed elsewhere in the financial statements are as follows:

	Company	
	01.01.2024 to 31.05.2025 RM	01.01.2023 to 31.12.2023 RM
Interest charge for intercompany loan to:		
Subsidiaries	1,153,332	467,878

(c) Compensation of key management personnel

	Group		Company	
	01.01.2024 to 31.05.2025 RM	01.01.2023 to 31.12.2023 RM	01.01.2024 to 31.05.2025 RM	01.01.2023 to 31.12.2023 RM
Salaries, allowances and bonuses	7,640,778	3,864,903	381,364	264,903
Defined contribution plans	655,239	687,357	-	-
Other staff related expenses	235,250	-	-	-
	8,531,267	4,552,260	381,364	264,903

Significant outstanding balances with related parties at the end of the reporting period are disclosed in Notes 13 and 18.

31. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company's may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial period from 1 January 2024 to 31 May 2025 and 31 December 2023.

The Group also provides continuous financial support to certain subsidiaries. The Directors monitor capital using a gearing ratio, which is total debt divided by total equity. The Group's and the Company's policy is to keep the gearing ratio at an acceptable limit.

The debt-to-equity ratios at the end of the reporting periods were as follows:

		Group	
		31.05.2025	**31.12.2023**
	Note	**RM**	**RM**
Loans and borrowings/total debts	**17**	213,267,888	28,855,278
Total equity attributable to owners of the Group		102,719,024	43,489,332
Debt-to-equity ratio		2.08	0.66

There was no change in the Group's and the Company's approach to capital management during the financial period.

A subsidiary of the Group is required to maintain certain gearing ratio for its term loan facilities granted by financial institutions.

32. OPERATING SEGMENT

The Group is predominantly involved in construction and civil engineering, which is the only reportable segment. Other non-reportable segments comprise operations related to ICT solutions, maintenance services and investment holdings.

All the Group's operations and its revenue are carried out and derived in Malaysia.

The Managing Director of the Group (the Chief Operating Decision Maker) reviews internal management reports on a monthly basis.

Performance is measured based on segment profit or loss, as included in the internal management reports that are reviewed by the Managing Director of the Group. Segment profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate within this industry.

<u>Segment assets and liabilities</u>

Segment assets and liabilities information is neither included in the internal management reports nor provided regularly to the Managing Director of the Group. Hence, no disclosure is made on segment assets and liabilities.

<u>Segment capital expenditure</u>

Segment capital expenditure is the total cost incurred during the financial period to acquire property, plant and equipment, investment properties and right-of-use assets.

32. OPERATING SEGMENT(CONTINUED)

	Construction services RM	Consultancy services RM	Others RM	Adjustments and eliminations RM	Total RM
Group					
31.05.2025					
Revenue:					
Revenue from external customers	792,122,604	3,820,721	27,242	-	795,970,567
Inter-segment revenue	27,034,109	673,850	-	(27,707,959)	-
	819,156,713	4,494,571	27,242	(27,707,959)	795,970,567
Results:					
Included in the measure of segment loss are:					
Depreciation of property, plant and equipment	(15,969,382)	(88,167)	-	18,573	(16,038,976)
Property, plant and equipment written off	(56,552)	-	-	-	(56,552)
Impairment loss on property, plant and equipment	(143,800)	-	-	-	(143,800)
Depreciation of right-of-use assets	(753,985)	(166,765)	-	-	(920,750)
Depreciation of investment properties	(170,641)	-	-	-	(170,641)
Net impairment losses on financial assets and contract assets	23,552,571	-	143,800	-	23,696,371
Interest income	1,972,640	-	1,158,859	(1,153,333)	1,978,166
Interest expense	(10,832,940)	(15,105)	(62,903)	1,153,333	(9,757,615)
Not included in the measure of segment loss but provided to Group's CEO are:					
Share of results of associates	-	61,718	-	-	61,718
Segment loss	(37,017,030)	521,404	(2,015,282)	(10,677,753)	(49,188,661)

32. OPERATING SEGMENT(CONTINUED)

	Construction services RM	Consultancy services RM	Others RM	Adjustments and eliminations RM	Total RM
Group (Continued)					
31.05.2025					
Income tax expenses	(8,269,670)	(199,309)	(229,794)	2,368,015	(6,330,758)
Loss for the financial period	(45,286,700)	322,095	(2,245,076)	(8,309,738)	(55,519,419)
Assets:					
Investment in an associate	-	76,718	-	-	76,718
Additions to non-current assets	24,740,096	466,483	102,501,923	(42,730,329)	84,978,173
	24,740,096	543,201	102,501,923	(42,730,329)	85,054,891
31.12.2023					
Revenue:					
Revenue from external customers	202,427,451	-	623,823	-	203,051,274
Inter-segment revenue	83,471,467	-	376	(83,471,843)	-
	285,898,918	-	624,199	(83,471,843)	203,051,274

32. OPERATING SEGMENT(CONTINUED)

	Construction services RM	Consultancy services RM	Others RM	Adjustments and eliminations RM	Total RM
Group (Continued)					
31.12.2023					
Results:					
Included in the measure of segment loss are:					
Depreciation of property, plant and equipment	(2,427,639)	-	-	-	(2,427,639)
Depreciation of right-of-use assets	(56,545)	-	-	-	(56,545)
Depreciation of investment properties	(109,175)	-	-	-	(109,175)
Property, plant and equipment written off	(3,892)	-	-	-	(3,892)
Net impairment losses on financial assets and contract assets	(6,384,240)	-	(657,230)	-	(7,041,470)
Interest income	889,383	-	472,997	(467,878)	894,502
Interest expense	(3,043,269)	-	(31,235)	467,878	(2,606,626)
Segment loss	(21,331,498)	-	(1,411,636)	-	(22,743,134)
Income tax (expenses)/credit	(86,674)	-	179,996	-	93,322
Loss for the financial year	(21,418,172)	-	(1,231,640)	-	(22,649,812)
Assets:					
Additions to non-current assets	6,568,135	-	-	-	6,568,135

33. SIGNIFICANT EVENT DURING AND SUBSEQUENT TO THE END OF FINANCIAL PERIOD ENDED

Other than as disclosed elsewhere in the financial statements, the significant events during and subsequent to the end of the financial period ended are as follows:

(a) Proposed joint venture and diversification

On 8 April 2025, Taghill Land Sdn. Bhd. ("Taghill Land"), a wholly-owned subsidiary of the Company, entered into a Joint Venture Agreement ("JVA") with YTB Impression Sdn. Bhd. ("YTBI"), a wholly-owned subsidiary of Yong Tai Berhad. Under the JVA, YTBI granted Taghill Land the exclusive rights to undertake the development of The Dawn @ Impression City Melaka, comprising two blocks of serviced suites (648 units) with facilities and 330 car parks on a parcel of leasehold land measuring approximately 2.02 hectares located in Melaka Tengah.

The estimated gross development value ("GDV") of the project is RM183.31 million and the gross development cost ("GDC") is RM149.43 million, inclusive of YTBI's entitlement of RM28.0 million. In addition, should the project's profit before tax exceed RM11.0 million, the surplus profit will be shared 60% to Taghill Land and 40% to YTBI.

The JVA represents a diversification of the Group's existing business into property development, which may potentially contribute 25% or more of the Group's net profits or net assets in the future.

At the Extraordinary General Meeting held on 29 August 2025, shareholders approved both the JVA and the proposed diversification. The project is expected to commence in the first quarter of 2026 and to be completed by the second quarter of 2028.

The proposals are not expected to have any immediate material impact on the Group's issued share capital, net assets, gearing or earnings for the financial period ended 31 May 2025, but are expected to contribute positively upon project completion.

(b) Acquisition of subsidiary

On 26 June 2025, the Taghill Land Sdn. Bhd. subscribed for 1 ordinary share in Cangkat Pesona Sdn. Bhd. for a consideration of RM1.

Consequently, Cangkat Pesona Sdn. Bhd. became an indirect wholly-owned subsidiary of the Company.

34. COMPARATIVE FIGURES

The comparative figures have been audited by a firm of Chartered Accountants other than Messrs Baker Tilly Monteiro Heng PLT.

The Group and the Company changed their financial year end from 31 December to 31 May during the financial period. As such, the comparatives for statements of comprehensive income, changes in equity and cash flows as well as the comparatives in the notes to the financial statements relating to those statements for the period from 1 January 2023 to 31 December 2023 are not comparable to the current period from 1 January 2024 to 31 May 2025.

STATEMENT BY **DIRECTORS**

We, **WONG YIH MING** and **CHU YEE HONG**, being two of the directors of TAGHILL HOLDINGS BERHAD (FORMERLY KNOWN AS SIAB HOLDINGS BERHAD), do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 79 to 149 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 May 2025 and of its financial performance and cash flows for the financial period from 1 January 2024 to 31 May 2025.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

....

WONG YIH MING
Director

....

CHU YEE HONG
Director

Date: 25 September 2025

STATUTORY **DECLARATION**

I, **LEE YENG LING**, being the officer primarily responsible for the financial management of TAGHILL HOLDINGS BERHAD (FORMERLY KNOWN AS SIAB HOLDINGS BERHAD), do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 79 to 149 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

....

LEE YENG LING
(MIA Membership No.: MIA 46478)

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in Federal Territory on 25 September 2025.

Before me,

....

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TAGHILL HOLDINGS BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Taghill Holdings Berhad, which comprise the statements of financial position as at 31 May 2025 of the Group and the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the financial period from 1 January 2024 to 31 May 2025, and notes to the financial statements, including material accounting policy information, as set out on pages 79 to 149.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 31 May 2025, and of their financial performance and their cash flows for the financial period from 1 January 2024 to 31 May 2025 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

BASIS FOR OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial period. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

Revenue recognition for construction activities (Notes 4.4 and 20 to the financial statements)

Risk:

The revenue of the Group's construction activities are recognised over the period of contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to proportion of costs incurred for works performed to date bear to the estimated total costs for each project (input method). We focused on this area because significant Group's judgement is required, in particular with regards to determining the progress towards satisfaction of a performance obligation, the extent of the construction costs incurred, the estimated total construction revenue and costs, as well as the recoverability of the construction projects. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

Our response:

Our audit procedures included, among others:

- reading the terms and conditions of agreements with customers;
- understanding the Group's process in preparing projects budget and the calculation of the progress towards anticipated satisfaction of performance obligation;
- comparing the Group's major assumptions to contractual terms, our understanding gathered from the analysis of changes in the assumptions from previous financial year and discussing with the project manager;
- comparing of the progress towards complete satisfaction of performance obligation for identified projects against architect or consultant certificate;
- checking the mathematical computation of recognised revenue and corresponding costs for the projects during the financial period; and
- discussing the potential deduction to revenue arising from liquidated and ascertained damages against the contractual delivery dates and estimated delivery dates, progress reports and interview of relevant project personnel.

KEY AUDIT MATTERS (CONTINUED)

Group (Continued)

Trade receivables and contract assets (Notes 4.2, 13 and 14 to the financial statements)

Risk:

The Group has significant trade receivables and contract assets which include certain amounts which are long outstanding. We focused on this area because the Group made significant judgments over assumptions about risk of default and expected credit rate. In making the assumptions, the Group selected inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of the reporting period.

Our response:

Our audit procedures included, among others:

- understanding the design and implementation of controls associated with monitoring of outstanding receivables and contracts assets and impairment calculation;
- understanding the significant credit exposures which were significantly overdue or deemed to be in default through analysis of ageing reports;
- checking subsequent receipts, customer correspondence and considering level of activity with the customer and management explanation on recoverability with significant past due balances; and
- testing the reasonableness and calculation of expected credit losses as at the end of the reporting period.

Business combination (Notes 4.3 and 8 to the financial statements)

Risk:

During the financial period, the Group acquired the issued and paid up share capital of Taghill Projects Sdn. Bhd. ("TPSB"). We focused on this area due to the judgement involved in determining the accounting treatment of the acquisition in accordance to MFRS 3 Business Combinations. In the accounting process, the directors have to apply judgement on the purchase price allocation in relation to the valuation of the assets acquired, liabilities assumed and the purchase consideration.

Our response:

Our audit procedures included, among others:

- reading the share sale agreement and evaluating the assessment performed by the Company in accounting for the acquisition of TPSB in accordance of MFRS 3;
- discussing with the Group on the identifiable assets acquired and liabilities assumed at the acquisition date;
- understanding the work performed by management's expert in respect on valuation of tangible and intangible assets;
- testing the mathematical computation in the allocation of the purchase consideration to the different assets and liabilities; and
- discussing with the Group the appropriateness of the related disclosures.

KEY AUDIT MATTERS (CONTINUED)

Group (Continued)

Goodwill on business combination (Notes 4.1 and 9 to the financial statements)

Risk:

The Group has significant balances of goodwill arising from business combination. We focused on this area because the Group made significant judgments over assumptions about risk of cash flow forecasts, discount rates, and growth rates. In making the assumptions, the Group selected inputs to the impairment calculation.

Our response:

Our audit procedures included, among others:

- obtain an understanding of company financial data and compare the carrying value of goodwill to the cash flow projection;
- discussing with the Group on the assumptions and basis used for impairment testing on goodwill for consolidation;
- understanding the methodology adopted by the Group in accordance with the requirements of MFRS 136 Impairment of Assets;
- comparing the Group's assumptions to our assessments in relation to key assumptions to assess their reasonableness of the projections;
- testing the mathematical accuracy of the impairment assessment; and
- performing a sensitivity analysis around the key assumptions that are expected to be more sensitive to the recoverable amount.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. The financial statements of the Company for the financial year ended 31 December 2023 were audited by another firm of chartered accountants whose report dated 25 April 2024 expressed an unmodified opinion on those financial statements.
2. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT	Jason Wong Yew Ming
201906000600 (LLP0019411-LCA) & AF 0117	No. 03668/06/2026 J
Chartered Accountants	Chartered Accountant

Kuala Lumpur

Date: 25 September 2025

LIST OF **PROPERTIES**

No.	Location	Description / Existing Use	Tenure / Expiry of Lease	Approximate Age of Buildings	Land Area / Built-up Area (sq ft)	Date of Acquisition / Date of Certificate of Completion & Compliance	Net Book Value as at 31 May 2025 (RM)
1	No. D-21-0, D-21-1, D-21-2 & D-21-3, Kinrara Niaga, Jalan BK 5A/2B, Bandar Kinrara, 47180 Puchong, Selangor Darul Ehsan.	An intermediate lot 3 1/2 storey terraced shop office building / Head Office	Freehold / N/A	11 years	1,760 / 6,396	21 Sep 2016 / 18 Nov 2013	2,535,889
2	No. 31-06, Suite Ceylonz, No. 3, Persiaran Raja Chulan, Bukit Kewangan, 50200 Kuala Lumpur.	A commercial unit (Office Suites) / Tenanted	Leasehold / 9 Jun 2118	5 years	N/A / 581	21 Nov 2017 / 15 Jun 2020	681,670
3	Lot No. 1692, Title No. PM 23, Locality of Batu 28 Ijok, Mukim of Ijuk, District of Kuala Selangor, State of Selangor Darul Ehsan.	A parcel of vacant agricultural land / Tenanted	Leasehold / 2 Feb 2077	N/A	140,211 / N/A	4 Nov 2022 / N/A	3,330,000
4	No. 12, Jalan Sri Kenari 9, Taman Sri Kenari, Sg. Chua, 43000 Kajang, State of Selangor Darul Ehsan.	One and a half storey of mid terraced factory / Storage	Leasehold / 11 Apr 2099	17 years	1,604/ 1638	15 Oct 2009 / 9 Jun 2000	29,426
5	HSM 40093, PT 29948, Tempat of Revolusi Hijau Batu 5, Johan Setia, Mukim of Klang, District of Klang, State of Selangor Darul Ehsan.	Piece of agriculture land/ Vacant	Leasehold / 18 Nov 2092	21 years	87,123 / N/A	14 Sep 2009 / N/A	417,062
6	GL-05-01, Gravit8, Jalan Bayu Laut/KS9, Kota Bayuemas Pendamar, 41200 Klang, State of Selangor Darul Ehsan.	A unit of retail space / Investment property	Freehold / N/A	5 years	N/A / 1,249	14 Dec 2018 / 8 Nov 2019	846,600
7	GL-05-02, Gravit8, Jalan Bayu Laut/KS9, Kota Bayuemas Pendamar, 41200 Klang, State of Selangor Darul Ehsan.	A unit of retail space / Investment property	Freehold / N/A	5 years	N/A / 1,281	14 Dec 2018 / 8 Nov 2019	868,984
8	GL-05-03, Gravit8, Jalan Bayu Laut/KS9, Kota Bayuemas Pendamar, 41200 Klang, State of Selangor Darul Ehsan.	A unit of retail space / Investment property	Freehold / N/A	5 years	N/A / 1,281	14 Dec 2018/ 8 Nov 2019	868,984
9	GL-06, Gravit8, Jalan Bayu Laut/KS9, Kota Bayuemas Pendamar, 41200 Klang, State of Selangor Darul Ehsan.	A unit of retail space / Investment property	Freehold / N/A	5 years	N/A / 3,003	14 Dec 2018 / 8 Nov 2019	2,084,962
10	PM12932, Lot 13833, Tempat Batu 34, Jalan Dengkil/Banting, District of Sepang, State of Selangor Darul Ehsan.	Piece of industrial land / Vacant	Leasehold / 12 Jan 2090	N/A	67,673 / N/A	15 Sep 2022 / 3 Mar 2023	4,354,000

ANALYSIS OF **SHAREHOLDINGS**

As at 8 September 2025

ORDINARY SHARES

Total Number of Issued Shares : 1,556,158,390 ordinary shares

Class of Shares : Ordinary Shares

Voting Rights : One (1) vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size Of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	25	0.631	487	0.000
100 - 1,000	643	16.237	172,320	0.011
1,001 - 10,000	1,374	34.697	7,659,800	0.492
10,001 - 100,000	1,350	34.091	57,707,185	3.708
100001 - 77,807,919 (*)	564	14.242	986,491,098	63.393
77,807,920 and above (**)	4	0.101	504,127,500	32.396
TOTAL	**3,960**	**100.000**	**1,556,158,390**	**100.000**

Remarks:
** Less than 5% of issued shares*
*** 5% and above of issued shares*

DIRECTORS' SHAREHOLDINGS

Names	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
TAN SRI DATO' SRI MOHAMAD FUZI BIN HARUN	300,000	0.019	-	-
DATO' SRI DR. SHAHRIL BIN MOKHTAR (1)	-	-	-	-
DATUK LEE KAM FOO	-	-	-	-
WONG YIH MING	17,591,067	1.130	417,336,800	26.818
CHU YEE HONG	17,591,067	1.130	417,336,800	26.818
YAP KEK SIUNG (2)	17,591,066	1.130	417,336,800	26.818
NG WAI HOE (3)	40,582,025	2.608	63,652,316	4.090
TAN CHEE KEONG (4)	-	-	-	-
LAU MEI HO (5)	-	-	-	-
TOTAL	**93,655,225**	**6.018**	**1,315,662,716**	**84.546**

Notes:
(1) Resigned on 3 June 2025
(2) Appointed on 3 June 2025
(3) Resigned on 3 June 2025
(4) Appointed on 3 June 2025
(5) Appointed on 29 July 2025

LIST OF SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)

Names	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
MBUILD VENTURE SDN. BHD.	417,336,800	26.818	-	-
PROVENTURE CAPITAL PLT	126,790,700	8.148	-	-
WONG YIH MING	17,591,067	1.130	417,336,800	26.181
CHU YEE HONG	17,591,067	1.130	417,336,800	26.181
YAP KEK SIUNG	17,591,067	1.130	417,336,800	26.181

LIST OF TOP 30 HOLDERS

(Without agregating securities from different securities accounts belonging to the same registered holder)

No.	Name	Holdings	%
1	M & A NOMINEE (TEMPATAN) SDN. BHD. TEH & LEE FOR MBUILD VENTURE SDN. BHD.	200,000,000	12.852
2	PHILLIP NOMINEES (TEMPATAN) SDN. BHD. OCTOWILL TRUSTEES BERHAD FOR PROVEN VENTURE CAPITAL PLT	126,790,700	8.148
3	PM NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT - ECO ASIA VENTURES SDN. BHD. FOR MBUILD VENTURE SDN. BHD.	92,250,000	5.928
4	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MBUILD VENTURE SDN. BHD. (MY4716)	85,086,800	5.468
5	MAKMUR BARU HOLDINGS SDN. BHD.	63,652,316	4.090
6	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM AIK KIAT	42,230,000	2.714
7	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG WAI HOE	40,000,000	2.570
8	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MBUILD VENTURE SDN. BHD. (M09)	40,000,000	2.570
9	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM AIK HOE	36,500,000	2.346
10	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM AIK FU	31,000,000	1.992
11	LIM MEI HWEE	30,700,017	1.973
12	ALAM KOTA SDN. BHD.	30,083,762	1.933
13	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM JEE GIN (MY4470)	28,500,000	1.831
14	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KAK SENG (7003247)	21,850,900	1.404
15	TAN SOK MOI	21,009,463	1.350
16	CHU YEE HONG	17,591,067	1.130
17	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG YIH MING	17,591,067	1.130
18	YAP KEK SIUNG	17,591,066	1.130
19	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN CHYI BOON	17,000,000	1.092
20	M & A NOMINEE (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KHOO CHEE SIANG (M&A)	16,980,000	1.091
21	LIM KIM CHONG	16,000,000	1.028
22	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM AIK KIAT (7006129)	14,500,000	0.932
23	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KHOO CHEE SIANG (7016740)	14,500,000	0.932
24	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KHOO CHAI PEK (MY1030)	13,306,400	0.855

LIST OF TOP 30 HOLDERS (continued)

(Without agregating securities from different securities accounts belonging to the same registered holder)

No.	Name	Holdings	%
25	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ANDREW TAN JUN SUAN	12,500,000	0.803
26	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM AIK FU (7006144)	12,000,000	0.771
27	KENANGA NOMINEES (TEMPATAN) SDN. BHD. RAKUTEN TRADE SDN. BHD.D FOR CHU YEE SENG @ CHEW YEE SENG	11,650,000	0.749
28	BIMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KHOO CHEE SIANG (MGNM88688)	10,715,000	0.689
29	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YAP CHEE KHENG (8055840)	10,529,600	0.677
30	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KHOO CHEE SIANG	10,000,000	0.643
	TOTAL :	**1,102,108,158**	**70.822**

ANALYSIS OF
WARRANT HOLDINGS

As at 29 September 2025

Total Number of Warrants A Issued : 383,262,153

Maturity Date : 19 June 2029

DISTRIBUTION OF WARRANT HOLDINGS

Size of Holding	No. of Warrant A Holders	No. of Warrant A held	%
1 to 99	23	1,065	0.0003
100 to 1,000	27	14,807	0.0039
1,001 to 10,000	126	765,710	0.1998
10,001 to 100,000	319	15,809,755	4.1250
100,001 to < 5% of warrants	349	269,395,316	70.2901
5% and above	1	97,275,500	25.3809
TOTAL	**845**	**383,262,153**	**100.0000**

LIST OF TOP 30 LARGEST WARRANTS A HOLDERS

No.	Name of Warrant A Holders	No. of Warrant A held	% of Warrant A held
1	PHILLIP NOMINEES (TEMPATAN) SDN. BHD. OCTOWILL TRUSTEES BERHAD FOR PROVEN VENTURE CAPITAL PLT	97,275,500	25.3809
2	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KHOO CHAI PEK (MY1030)	15,012,800	3.9171
3	ZULKIFLI BIN MOHAMAD BASAR	14,701,500	3.8359
4	LEE MEE KUEN	9,950,000	2.5961
5	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YAP CHEE KHENG (8055840)	9,050,000	2.3613
6	TAN FOO SHEN	7,500,000	1.9569
7	KHONG HENG JIAN	6,800,000	1.7742
8	KAN WING HOONG	4,500,000	1.1741
9	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HEW YUEN LOONG (MQ0670)	4,490,800	1.1717
10	NG CHIN KEONG	3,750,000	0.9784
11	KHOO CHAI PEK	3,610,200	0.9420
12	CHEAH KIM SUI	3,500,000	0.9132
13	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOO HOCK YEAW (E-KLG)	3,250,000	0.8480
14	LAI SIEW LEE	3,099,300	0.8087
15	TAN HOOI HOOI	2,920,000	0.7619
16	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SU SUIT CHAI (E-BSA/PKG)	2,800,000	0.7306
17	WONG YEW SUN	2,797,700	0.7300

LIST OF TOP 30 LARGEST WARRANTS A HOLDERS (continued)

No.	Name of Warrant A Holders	No. of Warrant A held	% of Warrant A held
18	WONG KAM SANG	2,730,500	0.7124
19	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR EE SIOW LENG (7003451)	2,663,100	0.6949
20	KHOO CHAI HENG	2,605,000	0.6797
21	JARING METAL INDUSTRIES SDN. BHD.	2,500,000	0.6523
22	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR EE SIOW JENG (MY3386)	2,480,000	0.6471
23	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG KUAN FOOK (MY3418)	2,260,000	0.5897
24	SIOW CHEE HUNG	2,150,000	0.5610
25	YOO YUET PENG	2,100,000	0.5479
26	CHING KONG BU	2,000,000	0.5218
27	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIEW PANG CHENG (REM 169)	2,000,000	0.5218
28	NG CHAI GO	2,000,000	0.5218
29	QUAH BAN KHENG	2,000,000	0.5218
30	TAN KHEAK GEAI	2,000,000	0.5218

NOTICE OF THE FOURTH (4TH) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourth (4th) Annual General Meeting of Taghill Holdings Berhad ("**Taghill**" or the "**Company**") will be held at Executive Lounge, Level 23, The Pearl Kuala Lumpur, Batu 5, Jalan Klang Lama, 58000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Tuesday, 25 November 2025 at 10.00 a.m. or any adjournment thereof for the purpose of transacting the following businesses:

AS ORDINARY BUSINESS:

1.	To receive the Audited Financial Statements for the financial period ended 31 May 2025 together with the Reports of the Directors and Auditors thereon.	**(Please refer to Explanatory Note 1)**
2.	To approve the payment of Directors' fees up to RM312,000.00 to be divided amongst the Directors in such manner as the Directors may determine for the period commencing from the conclusion of the 4th AGM until the conclusion of the next AGM of the Company in the year 2026.	**(Ordinary Resolution 1)**
3.	To approve the payment of Directors' Benefits of up to RM108,000.00 to be divided amongst the Directors in such manner as the Directors may determine for the period commencing from the conclusion of the 4th AGM until the conclusion of the next AGM of the Company in the year 2026.	**(Ordinary Resolution 2)**
4.	To re-elect Datuk Lee Kam Foo who is retiring by rotation in accordance with Clause 76(3) of the Company's Constitution and being eligible, offered himself for re-election.	**(Ordinary Resolution 3)**
5.	To re-elect the following Directors who are retiring in accordance with Clause 76(6) of the Company's Constitution and being eligible, offered themselves, for re-election:	
	i. Wong Yih Ming	**(Ordinary Resolution 4)**
	ii. Chu Yee Hong	**(Ordinary Resolution 5)**
	iii. Yap Kek Siung	**(Ordinary Resolution 6)**
	iv. Tan Chee Keong	**(Ordinary Resolution 7)**
	v. Lau Mei Ho	**(Ordinary Resolution 8)**
6.	To re-appoint of Messrs. Baker Tilly Monteiro Heng PLT (AF 0117) as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.	**(Ordinary Resolution 9)**

AS SPECIAL BUSINESS:

To consider and if thought fit, pass the following as resolution:

7. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** **(Ordinary Resolution 10)**

“THAT approval be and is hereby given to waive the statutory pre-emptive rights to be offered new shares ranking equally to the existing issued shares of the Company pursuant to Section 85 of the Companies Act, 2016 (the “**Act**”) read together with Clause 12(3) of the Company’s Constitution.

THAT pursuant to Sections 75 and 76 of the Act and subject to the approvals of the relevant governmental/ regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company or such higher percentage as Bursa Malaysia Securities Berhad (“**Bursa Securities**”) allowed for the time being and that the Directors be and are hereby also empowered to obtain approval from the Bursa Securities for the listing and quotation of the additional shares so issued.

AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

BY ORDER OF THE BOARD

TAN TONG LANG (SSM PC NO. 202208000250 / MAICSA 7045482)

THIEN LEE MEE (SSM PC No. 201908002254 / LS0010621)

Company Secretaries

Dated: 30 September 2025

Notes:-

1. *For the purpose of determining a Member who shall be entitled to attend the meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 17 November 2025 and only a depositor whose name appears on the Record of Depositors shall be entitled to attend at the meeting or appoint proxy(ies) to attend in his/her stead.*
2. *A Member of the Company who is entitled to attend at this meeting is entitled to appoint proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate and vote instead of him/her. A proxy may, but need not, be a member of the Company.*
3. *Where a Member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (“**SICDA**”), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of Section 25A(1) of the SICDA.*
4. *Where a Member appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment of two (2) or more proxies shall not be valid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.*
5. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorized in writing, or if the appointer is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.*

6. *To be valid, the Proxy Form duly completed must be deposited at the office of the Share Registrar of our Company, Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan or alternatively to lodge the Proxy Form electronically via Digerati Portal at https://taghill-agm.digerati.com.my or email to admin@aldpro.com.my not less than forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof.*

7. *Pursuant to Rule 8.31A (1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.*

Explanatory Notes to Ordinary and Special Business:-

1. **Item 1 of the Agenda**

   Agenda No. 1 is meant for discussion only as Section 340(1)(a) of the Companies Act, 2016 provides that the audited financial statements are to be laid in the general meeting and do not require a formal approval of the shareholders. Hence, this Agenda item is not put forward for voting.

2. **Ordinary Resolutions 1 & 2 – To approve the payment of Directors' Fees and Directors' benefits**

   Pursuant to Section 230(1) of the Act, fees and benefits payable to the Directors of a public company or a listed company and its subsidiaries shall be approved by shareholders at a general meeting. The Directors' benefits payable include meeting attendance allowances and other claimable benefits.

   In determining the estimated total amount of Directors' benefits, the Board has considered various factors, among others, the estimated claimable benefits and estimated number of meetings for the Board and Board Committees held for the period commencing from the conclusion of the 4^{th} AGM until the next AGM of the Company in the year 2026.

   In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

3. **Ordinary Resolution 3 – Re-election of Directors who retire by rotation under Clause 76(3) of the Company's Constitution**

   Clause 76(3) of the Company's Constitution states that at the Annual General Meeting in every subsequent year, one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at the conclusion of the Annual General Meeting in every year provided always that all Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election.

   Datuk Lee Kam Foo is standing for re-election as Directors of the Company and being eligible, have offered himself for re-election.

   To determine the eligibility of the Directors to stand for re-election at the 4^{th} AGM, the Nomination Committee ("**NC**") has considered and recommended Datuk Lee Kam Foo for re-election as Director according to Clause 76(3) of the Company's Constitution.

4. **Ordinary Resolutions 4 to 8 – Re-election of Directors who retire under Clause 76(6) of the Company's Constitution**

   Clause 76(6) of the Company's Constitution provides that the Company may appoint any person who is not disqualified under the Act to fill in vacancy at the Annual General Meeting at which a Director so retires, and if no appointment was made to fill the vacancy, the retiring Director shall, if he offers himself for re-election, be deemed to have been re-elected, unless:

   (a) at that meeting, the Company expressly resolved not to fill the vacated office; or

   (b) a resolution for the re-election of the Directors is put to the meeting and lost.

   The following Directors were appointed as follows:

   - Mr. Wong Yih Ming as Executive Director on 2 July 2024 and re-designated from Executive Director to Group

- Managing Director on 20 September 2024.
- Mr. Chu Yee Hong as Executive Director on 15 July 2024.
- Mr. Tan Chee Keong as Independent Non-Executive Director on 3 June 2025.
- Mr. Yap Kek Siung as Executive Director on 3 June 2025.
- Ms. Lau Mei Ho as Independent Non-Executive Director on 29 July 2025.

The NC has considered and recommended the abovementioned retiring Directors to retire under Clause 76(6) of the Company's Constitution in view of their appointment as Directors accordingly and being eligible, have offered themselves for re-election.

5. **Ordinary Resolution 9 - Re-appointment of External Auditors, Messrs. Baker Tilly Monteiro Heng PLT**

The Board, through the Audit and Risk Management Committee, had reviewed and was satisfied with the performance and independence of Messrs. Baker Tilly Monteiro Heng PLT ("**Baker Tilly**") during the financial period under review. The Board has therefore recommended the re-appointment of Baker Tilly as external auditors of the Company for the financial year ending 31 May 2026.

6. **Special Business - Ordinary Resolution 10**
Authority to Issue and Allot Shares Pursuant to Sections 75 And 76 of the Act

The proposed Ordinary Resolution 10, if passed, will empower the Directors of the Company to allot and issue new shares in the Company at any time, to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit ("**General Mandate**"), provided that the number of shares issued pursuant to this General Mandate, when aggregated with the total number of any such shares issued during the preceding twelve (12) months, does not exceed 10% of the total number of issued shares of the Company at the time of issue. This General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

As of the date of this Notice, no new shares in the Company were issued pursuant to the General Mandate granted to the Directors at the 3rd Annual General Meeting held on 27 June 2024 and which will lapse at the conclusion of the 4th Annual General Meeting.

Section 85(1) of the Companies Act 2016 provides as follows:

"85. Pre-emptive rights to new shares

1. Subject to the Constitution, where a company issue shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

Clause 12(3) of the Company's Constitution provides as follows:

"(a) Subject to the Act, the Listing Requirements and any direction to the contrary that may be given by the Company in General Meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled.

(b) The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company.

(c) The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution."

By voting in favour of the proposed ordinary resolution 10, the shareholders of the Company are deemed to have waived their pre-emptive rights pursuant to Section 85(1) of the Companies Act, 2016 and Clause 12(3) of the Company's Constitution to be first offered any new shares ranking equally to the existing issued shares of the Company which will result in a dilution of their shareholding percentage in the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING
(pursuant to Rule 8.29 of AMLR of Bursa Securities)

The Directors who are standing for re-election at the 4th AGM are Mr. Wong Yih Ming, Datuk Lee Kam Foo, Mr. Chu Yee Hong, Mr. Tan Chee Keong, Mr. Yap Kek Siung and Ms. Lau Mei Ho. The profiles of the Directors are set out in the Annual Report of the Company.

No individual seeking election as a director other than the Directors are seeking re-election and retention as a director at the 4th AGM.

The Company will seek shareholders' approval at the general meeting for the issue of securities under Rule 6.04(3) of the AMLR of Bursa Securities. Please refer to the Proposed Ordinary Resolution 10 as stated in the Notice of the 4th AGM of the Company for details.

PROXY FORM

TAGHILL HOLDINGS BERHAD
[Registration No. 202001043548 (1399869-A)]
(Incorporated in Malaysia)

No. of Shares Held	CDS Account No.

I/We, ... (NRIC/Company No.) ....

....
(full name in block letters)

of ....
(full address)

Email Address:... Tel No. ....being a member of TAGHILL HOLDINGS BERHAD [Registration No. 202001043548 (1399869-A)], hereby appoint:

Name of Proxy 1 (Full Name)	NRIC No./Passport No.	% of Shareholding to be represented (refer to Note 4 set out below)
Address	Email Address	Contact No.

or failing him/her

Name of Proxy 2 (Full Name)	NRIC No./Passport No.	% of Shareholding to be represented (refer to Note 4 set out below)
Address	Email Address	Contact No.

or failing him/her, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Fourth Annual General Meeting ("**4th AGM**") of Taghill Holdings Berhad ("**Taghill**" or the "**Company**") will be held at Executive Lounge, Level 23, The Pearl Kuala Lumpur, Batu 5, Jalan Klang Lama, 58000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Tuesday, 25 November 2025 at 10.00 a.m. or at any adjournment thereof as indicated below:

Please indicate with a (x) or (√) in the appropriate box against the resolution how you wish your vote to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion.

No.	Resolutions		FOR	AGAINST
1.	To approve the payment of Directors' fees up to RM312,000.00 to be divided amongst the Directors in such manner as the Directors may determine for the period commencing from the conclusion of the 4th AGM until the conclusion of the next AGM of the Company in the year 2026.	Ordinary Resolution 1		
2.	To approve the payment of Directors' Benefits of up to RM108,000.00 to be divided amongst the Directors in such manner as the Directors may determine for the period commencing from the conclusion of the 4th AGM until the conclusion of the next AGM of the Company in the year 2026.	Ordinary Resolution 2		
3.	Re-election of Datuk Lee Kam Foo as Director	Ordinary Resolution 3		
4.	Re-election of Wong Yih Ming as Director	Ordinary Resolution 4		
5.	Re-election of Chu Yee Hong as Director	Ordinary Resolution 5		
6.	Re-election of Yap Kek Siung as Director	Ordinary Resolution 6		
7.	Re-election of Tan Chee Keong as Director	Ordinary Resolution 7		
8.	Re-election of Lau Mei Ho as Director	Ordinary Resolution 8		
9.	Re-appointment of Messrs. Baker Tilly Monteiro Heng PLT (AF 0117) as Auditors	Ordinary Resolution 9		
10.	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016	Ordinary Resolution 10		

* Delete if not applicable

Signed on this .... day of .... 2025.

....
Signature/ Common Seal of Shareholder

Fold this flap for sealing

Notes:

1. *For the purpose of determining a Member who shall be entitled to attend the meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 17 November 2025 and only a depositor whose name appears on the Record of Depositors shall be entitled to attend at the meeting or appoint proxy(ies) to attend in his/her stead.*

2. *A Member of the Company who is entitled to attend at this meeting is entitled to appoint proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate and vote instead of him/her. A proxy may, but need not, be a member of the Company.*

3. *Where a Member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**SICDA**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of Section 25A(1) of the SICDA.*

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Affix Stamp

The Share Registrar of
TAGHILL HOLDINGS BERHAD
c/o Aldpro Corporate Services Sdn. Bhd.
Registration No. 202101043817 (1444117-M)
B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan

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4. *Where a Member appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment of two (2) or more proxies shall not be valid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.*

5. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorized in writing, or if the appointer is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.*

6. *To be valid, the Proxy Form duly completed must be deposited at the office of the Share Registrar of our Company, Aldpro Corporate Services Sdn. Bhd. at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan or alternatively to lodge the Proxy Form electronically via Digerati Portal at https://taghill-agm.digerati.com.my or email to admin@aldpro.com.my not less than forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof.*

7. *Pursuant to Rule 8.31A (1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.*

TAGHILL®

www.taghill.my

TAGHILL HOLDINGS BERHAD Registration No.: 202001043548 (1399869-A)

D-21-0, Kinrara Niaga, Jalan BK 5A/2B, Bandar Kinrara, 47180 Puchong, Selangor

T. 03 - 8080 9088 | **F.** 03 - 8080 9882 | **E.** corporate@taghill.my