

OBH

Registration No.: 202301020810 (1514732-P)
(Incorporated in Malaysia)

BEYOND NUTRITION: BUILDING A HEALTHIER TOMORROW



ANNUAL REPORT
2025

BEYOND NUTRITION: BUILDING A HEALTHIER TOMORROW



WELCOME TO OB Holdings Berhad's Annual Report 2025

Every story begins with a seed of potential. At OB Holdings Berhad, that seed is the promise of nutrition carefully sourced, responsibly developed and fortified to bring lasting value. "Beyond Nutrition: Building a Healthier Tomorrow" is the journey that defines who we are and how we serve.

It begins with ingredients, where diligence and responsibility ensure only the best enters our process. It continues with science and fortification, where innovation strengthens nutrition to meet the evolving needs of a modern world. From there, towards the production and delivery where discipline, safeguards consistency and quality ensuring every product that leaves our hands carries the same trust we are known for.

The journey does not end at delivery. For us, quality continues into the lives of the people we serve in the families who gain strength, in the communities that grow healthier and in the generations whose futures are fortified by nutritions.

This is where our true value lies, in our ability to create ripples of impact across all stakeholders. For customers, we provide trusted access to safe, fortified products that enhance daily living. For employees, we nurture a culture of purpose and pride, ensuring their contributions matter. For partners and suppliers, we build reliable, long-term collaborations. For shareholders, we create sustainable growth underpinned by resilience and foresight. And for the nation, we contribute to health security and the strengthening of human capital, because a healthier society is a stronger society.

Fortified nutrition is more than an industry, it is an essential force of progress. As awareness of health and resilience grows worldwide, nutrients are increasingly seen as the foundation for productivity, longevity and well-being. This presents enormous potential to reach more communities, to innovate for new needs and to elevate Malaysia as a hub for fortified solutions that serve not only our people but the region at large.

Through every stage, our commitment remains unchanged, to bring together science, discipline and purpose so that nutrition is not only consumed but trusted, valued and transformative. This is how OB Holdings Berhad defines its path forward by fortifying not just products, building a healthier tomorrow.

Inside this REPORT

ABOUT US

01

About OB Holdings Berhad	6
Our Services	7
Key Milestones	8
Our Products	10
OB Holdings Berhad in the News	12
Corporate Information	14
Corporate Structure	15
Snapshot of FYE 2025	16
Financial Highlights	17



PERFORMANCE REVIEW

03

Chairman's Statement	36
Management Discussion and Analysis	44
Managing Momentum, Navigating Opportunity	
Sustainability Statement	52



CORPORATE GOVERNANCE

04

Corporate Governance Overview Statement	74
Statement on Risk Management and Internal Control	87
Audit and Risk Management Committee Report	90
Additional Compliance Information	92
Statement of Directors' Responsibility	93



FINANCIAL STATEMENTS

05

Directors' Report	96
Statement by Directors	103
Statutory Declaration	103
Independent Auditors' Report	104
Statements of Financial Position	109
Statements of Profit or Loss and Other Comprehensive Income	111
Statements of Changes in Equity	112
Statements of Cash Flows	113
Notes to the Financial Statements	116



OTHER INFORMATION

06

Analysis of Shareholdings	170
List of Properties	172
Notice of Annual General Meeting	173
Administrative Notes for Annual General Meeting	179

Proxy Form



LEADERSHIP AND PEOPLE

02

Board of Directors	20
Directors' Profile	22
Board Composition	29
Key Senior Management Profile	31



2ND Annual General Meeting



Orenda 2, Level 1, Mercure
Selangor Selayang,
No. B-G-12, Dataran Emerald,
Jalan PS 11, Prima Selayang,
68100 Batu Cave, Selangor.



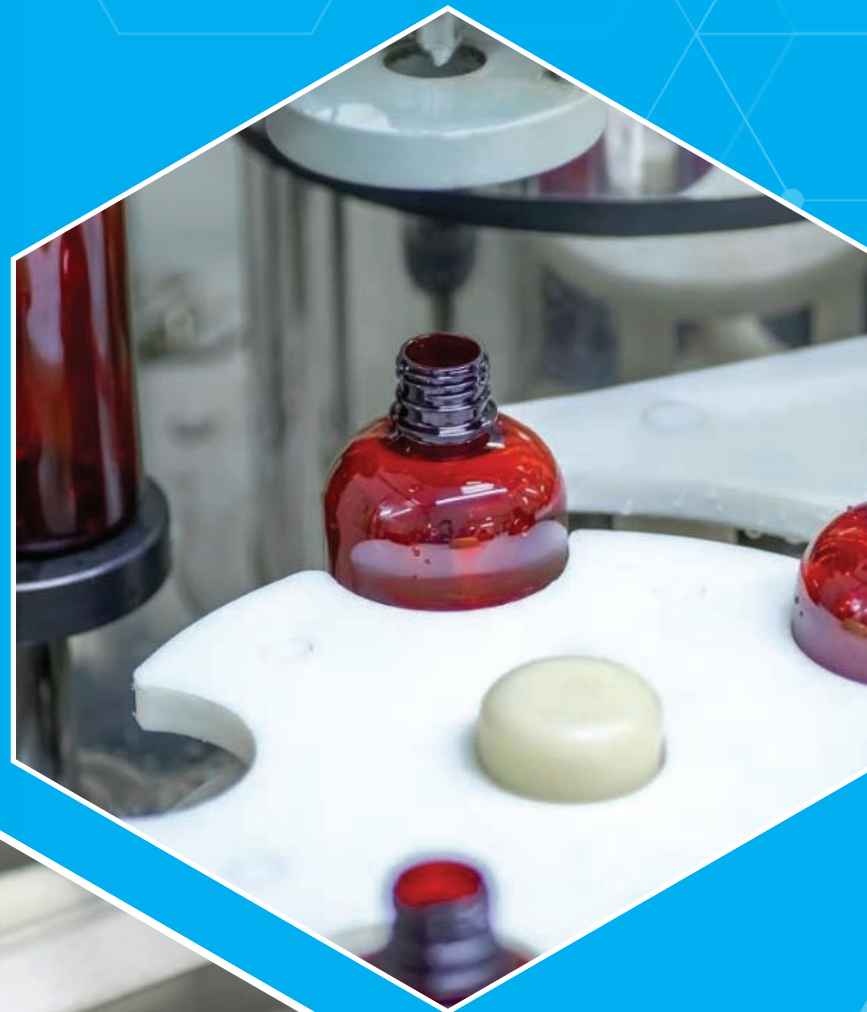
19 November 2025



11.00 a.m.



Scan the QR to access our
Annual Report 2025



ABOUT US

01

About OB Holdings Berhad	6
Our Services	7
Key Milestones	8
Our Products	10
OB Holdings Berhad in the News	12
Corporate Information	14
Corporate Structure	15
Snapshot of FYE 2025	16
Financial Highlights	17



ABOUT OB HOLDINGS BERHAD

We are principally involved in the provision of manufacturing services of fortified food and beverage ("F&B") and dietary supplements to third party brand owners; as well as the manufacturing, sales and marketing of fortified F&B and dietary supplements under our house brands, namely Bonlife, GoHerb, Zen Night, Sleepin' Beaute, EZ:Nitez, Beyoute, Zen Youte and Zenliv. Further, we are also involved in the provision of contract packing services of milk powder, tea leaves, honey, herb powder, fruit powder and liquid chlorophyll into retail packaging sizes, and trading of milk powder and other activities.



Third-party brand owners have trusted OB Holdings Berhad for over **30 years** as a provider of manufacturing services to develop high quality fortified F&B and dietary supplements.



01

Product Development

Our product development activities primarily focus on the development of new product formulations as well as continuously improving or enhancing existing product formulations to cater for consumers' changing preferences for fortified F&B and dietary supplements.

We're experienced in providing customised formulation to develop products that will meet every unique requirement and need

02

Product Registration

Get the products ready for the market with expert advice from our highly qualified regulatory teams over the full scope of regulatory compliance.

The range of requirements include:

- Malaysian Health and Medicinal Food Regulation Compliance
- Halal certification
- Technical documents
- Export documentations
- Import permits

Our Services

03

Sourcing of Supplies

We are experienced in producing formulas with pure, natural ingredients, as well as sourcing for specific ingredients to meet your needs and requirements. Rest assured that our formulas are high quality, GMO-free and uncontaminated.

What we can source for you:

- Active ingredient for formulation
- Selective raw material sourcing
- Certified quality materials
- Plant-based materials
- Organic certified ingredients

04

Manufacturing and packing

Customise your experience with our comprehensive range of manufacturing services.

Our state-of-the-art equipments are capable of carrying out the manufacturing and packing of fortified F&B products in large volumes.

We can manufacture products in the form of tablets, effervescent, teabags, liquid beverages and mixes, jelly and powder, in sachets, bottles, metal tins and paper cans.

All our processes are in compliance with current standards of Goods Manufacturing Practice ("GMP") and Hazard Analysis and Critical Control Points ("HACCP"). We also regularly audit our processes to ensure we meet the latest regulatory standards

KEY MILESTONES



1995

- Orient Group Sdn Bhd (incorporated on 4 April 1995) was acquired as a shelf company by Mr. Teoh Eng Sia and Madam Wong Chung Theng on 13 April 1995 to carry out the activity of supplying food ingredients to beverages and dietary supplements manufacturers from a rented factory lot in Selayang ("Rented Selayang Factory") measuring approximately 3,000 sq. ft.



2003

- Orient Group Sdn Bhd subsequently underwent a name change to Orient Biotech Sdn Bhd on 29 July 2003.



2004

- Our Selayang Factory had applied for and was GMP-compliant since 2004, and we relocated our operations from the Rented Selayang Factory to our Selayang Factory in 2004. We also ceased the rental of our Rented Selayang Factory and the 2 additional factory units in 2004.
- With the expanded manufacturing space, we expanded our offerings to include the provision of manufacturing services of fortified F&B to third party brand owners.

KEY MILESTONES (CONT'D)



1999

- In 1999, we began undertaking product formulation activities to develop new product formulations for fortified F&B and dietary supplements, in preparation for our venture into the manufacturing of fortified F&B and dietary supplements.



2002

- In 2002, we acquired a factory in Selayang ("Selayang Factory") which was used as our manufacturing facility. Our Selayang Factory which has a land area of 12,236 sq. ft. and comprises a 3-storey factory with a built-up area of 20,821 sq. ft. (including 180 sq. ft. of office area).



2001

- In 2001, our Rented Selayang Factory was certified compliant to the GMP by the GMP Section Centre of Compliance and Quality Control under the National Pharmaceutical Regulatory Agency ("NPRA").
- In September 2001, we also obtained our ISO 9001 certification for the manufacturing and marketing of fortified F&B and dietary supplements.



2020

- From 2005 to November 2020, we engaged AsureQuality Limited (previously known as AgriQuality Limited), New Zealand to carry out independent assessment on our organic products to certify that our products are organic.
- Subsequently, we changed our engagement to NASAA Certified Organic Pty Ltd ("NASAA") from November 2020 to 2025. Both AsureQuality Limited and NASAA carry out independent assessments for organic products.



2024

- OB Holdings Berhad debuts on ACE Market.

OUR PRODUCTS

In-House End-to-End Production

Our state-of-the-art facilities have the capability and capacity to produce various types of fortified food and beverage forms, in extensive commercial scales or in small quantities.

We audit our facilities regularly to ensure compliance with the latest regulatory standards.

OUR BRANDS

Bonlife

GoHerb

EZ: Nitez
WITH PROBIOTIC BLEND

BEYOUTE

ZEN NIGHT

ZENYOUTÉ

Zenliv

MELLAMI

Sleepin' Beauté



Fruit

Fruit juice or powder as a base, fortified with active ingredients such as collagen, enzymes, guarana, lutein, and vitamins and minerals.



Milk

Goat milk powder or cow milk powder as a base, fortified with active ingredients such as chondroitin sulfate, collagen, colostrum, lemon verbena, methylsulfonylmethane, probiotics, and vitamins and minerals.



Vegetable

Vegetable powder as a base, fortified with active ingredients such as enzymes and probiotics.



Probiotic

Bifidobacterium and lactobacillus probiotic strains as a base, mixed with other active ingredients such as curcumin, kombucha, prebiotics and vitamin C, and additional food ingredients such as fruit powder to enhance its flavour and taste.



Coffee

Roasted coffee bean powder as a base, fortified with active ingredients such as coenzyme Q10, ganoderma lucidum (lingzhi), ginseng and sacha inchi leaves extracts.



Oat

Rolled oats and oat bran as a base, fortified with active ingredients such as chlorella, probiotics, spirulina and wheat grass.



Soy

Soy protein powder as a base, fortified with active ingredients such as vitamins and minerals.



Collagen

Collagen as a base, fortified with active ingredients such as honey, pomegranate extract and vitamin C.



Herb

Herbs powder such as cynanchum wilfordii, angelica, ginseng, phlomis umbrosa and sea buckthorn as a base, with additional food ingredients such as honey to enhance its flavour and taste.



Tea

Tea as a base such as chrysanthemum and green tea, fortified with active ingredients such as cactus extract, liquorice and lingzhi extract.

OB HOLDINGS BERHAD IN THE NEWS

OB Holdings to more than double production capacity with new factory



OB Holdings executive director Boey Lee Bao Yu speaks at a press conference in conjunction with the company's ACE Market listing on Bursa Malaysia on Tuesday. (Photo by Zuhairi Nur Hafiz)

KUALA LUMPUR (Oct 29) - Fertilised food and supplement maker OB Holdings Bhd (KLSE:OBH) expects annual production capacity to more than double with the completion of a new factory in Serendah, Selangor.

OB Holdings executive director Boey Lee Bao Yu said the expansion of the factory, for which the company allocated a bulk from its IPO proceeds, is anticipated to be completed in the first half of 2025 (H12025) and commence commercial production in the first half of 2026 (H12026).

Food manufacturer OB Holdings gets green light to list on ACE market



OB Holdings Bhd (OBH) has received the green light from Bursa Malaysia to list on the ACE Market. The company is expected to complete its IPO process in the first half of 2025 and commence commercial production in the first half of 2026.

OB Holdings IPO oversubscribed by 109.47 times



KUALA LUMPUR: OB Holdings Bhd IPO oversubscribed by 109.47 times.

OB Holdings edges higher on ACE Market debut after RM29 mil IPO



OB Holdings edges higher on ACE Market debut after RM29 mil IPO.



OB HOLDINGS BERHAD IN THE NEWS (CONT'D)

OB Holdings IPO oversubscribed by 109.47 times



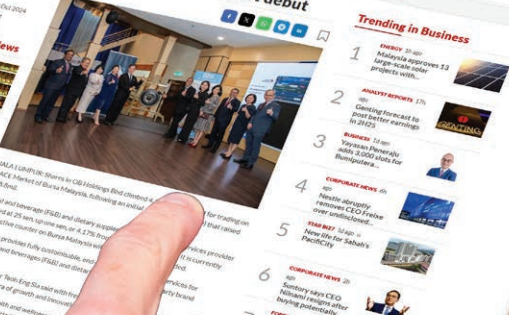
KUALA LUMPUR: OB Holdings Bhd IPO oversubscribed by 109.47 times.

OB Holdings edges higher on ACE Market debut after RM29 mil IPO



OB Holdings edges higher on ACE Market debut after RM29 mil IPO.

OB Holdings rises 4.2% on ACE Market debut



OB Holdings rises 4.2% on ACE Market debut.

OB Holdings Partners CTG Group To Boost Youth Innovation And Employment



OB Holdings Partners CTG Group To Boost Youth Innovation And Employment.

CORPORATE INFORMATION

Board of Directors

Dato' Seri Abdul Puhat Bin Mat Nayan
Independent Non-Executive Chairman

Lee Bao Yu
Executive Director

Dato' Haji Mohd Dusuki Bin Ya'acob
Independent Non-Executive Director

Ooi Gin Hui
Independent Non-Executive Director

Teoh Eng Sia
Managing Director

Wong Chung Theng
Non-Independent Non-Executive Director

Vasu A/L Nallayan
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Ooi Gin Hui (Chairperson)
Dato' Haji Mohd Dusuki Bin Ya'acob
Vasu A/L Nallayan

NOMINATION COMMITTEE

Dato' Haji Mohd Dusuki Bin Ya'acob (Chairperson)
Ooi Gin Hui
Vasu A/L Nallayan

REMUNERATION COMMITTEE

Vasu A/L Nallayan (Chairperson)
Ooi Gin Hui
Dato' Haji Mohd Dusuki Bin Ya'acob

COMPANY SECRETARIES

Tea Sor Hua
(MACS 01324)
(SSM PC No.: 201908001272)
Lee Siew Fun
(MAICSA 7063623)
(SSM PC No.: 202008000735)

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan
Tel: +603-2783 9299
Fax: +603-2783 9222
Email: is.enquiry@vistra.com

REGISTERED OFFICE

Third Floor, No. 77, 79 & 81
Jalan SS21/60, Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Tel: +603-7725 1777
Fax: +603-7722 3668
Email: info@cospec.com.my

HEAD OFFICE

No. B-G-1, B-G-2 and B-G-3
Dataran Emerald, Jalan PS 11
Prima Selayang
68100 Batu Caves
Selangor Darul Ehsan
Tel: +603-6127 8006
Website: www.orient.com.my

AUDITORS

Grant Thornton Malaysia PLT
(Registration No.: 201906003682)
(LLP0022494-LCA & AF 0737)
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Wilayah Persekutuan
Tel: +603-2692 4022 (ext 804)

PRINCIPAL BANKERS

Alliance Islamic Bank Berhad
Hong Leong Bank Berhad
Hong Leong Islamic Bank Berhad
OCBC Bank (Malaysia) Berhad

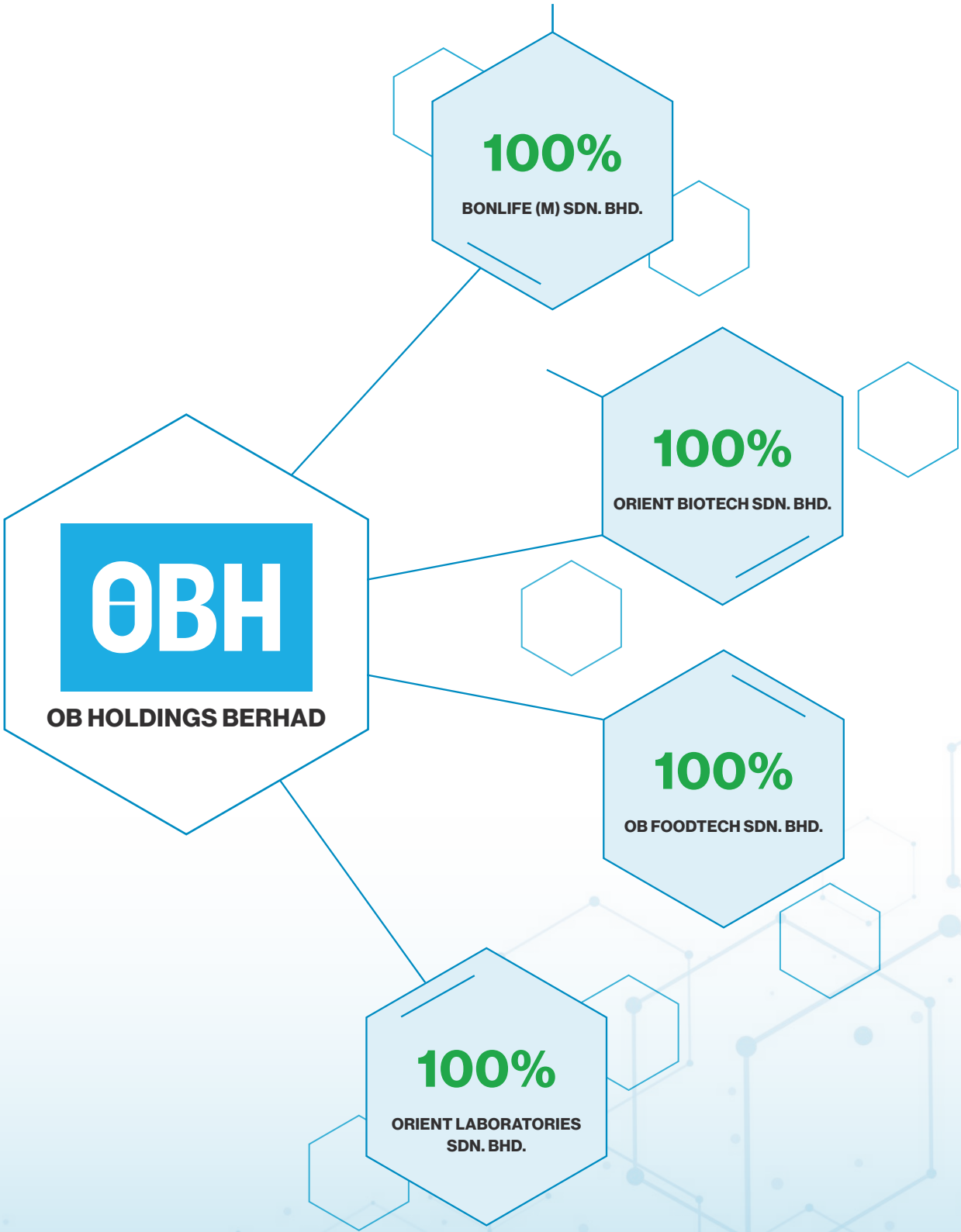
SPONSOR

Alliance Islamic Bank Berhad
Level 23, Menara Alliance Bank
No. 159, Jalan Ampang
50450 Kuala Lumpur
Wilayah Persekutuan
Tel: +603-2604 3333

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia
Securities Berhad
Stock Name: OBHB
Stock Code: 0327

CORPORATE STRUCTURE



SNAPSHOT OF FYE 2025

FINANCIAL HIGHLIGHTS

Revenue (RM'000)



Gross Profit (RM'000)



Profit Before Tax (RM'000)



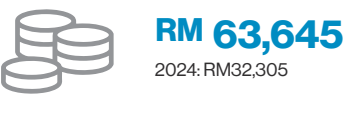
Profit After Tax (RM'000)



Total Assets (RM'000)



Total equity (RM'000)

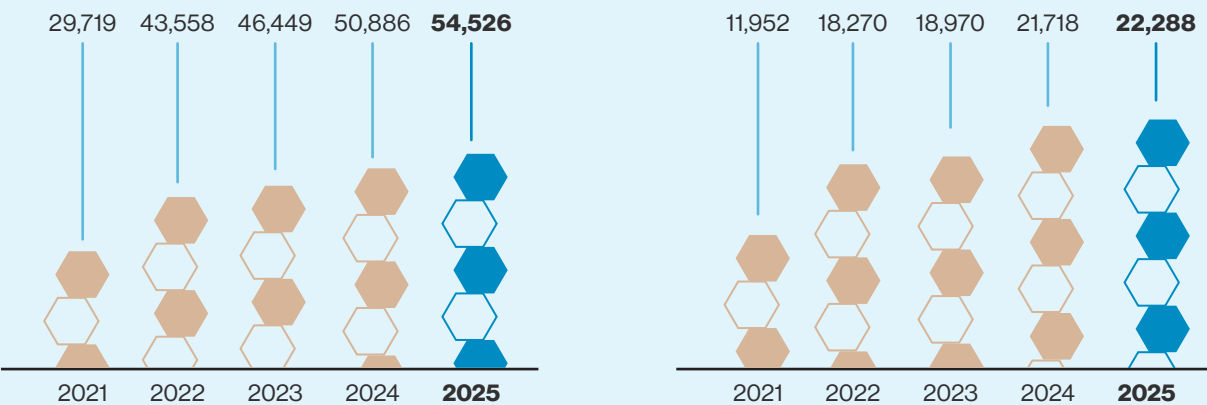


5
NEW HOUSE
BRAND
PRODUCTS

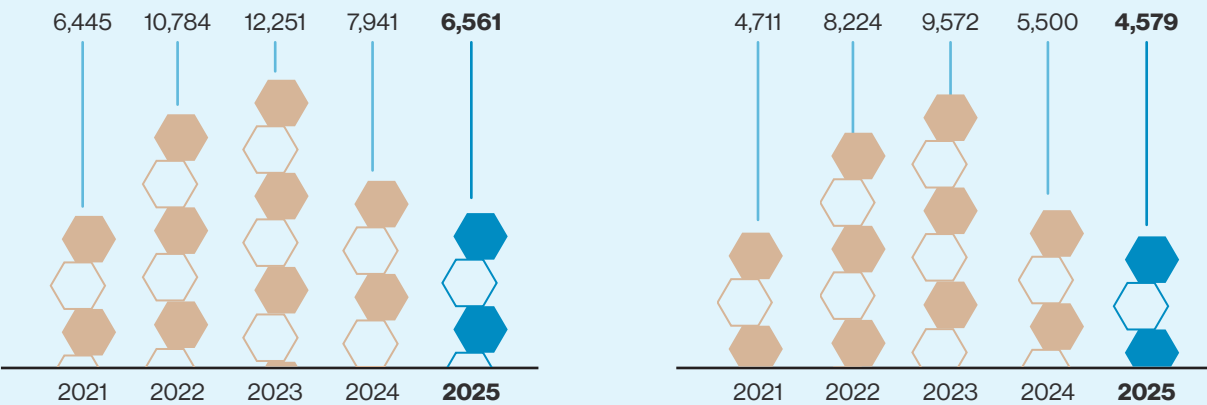
FINANCIAL HIGHLIGHTS

	FYE 2025 RM'000	FYE 2024 RM'000	FYE 2023 RM'000	FYE 2022 RM'000	FYE 2021 RM'000
Revenue	54,526	50,886	46,449	43,558	29,719
Cost of sales	(32,238)	(29,168)	(27,479)	(25,288)	(17,767)
Gross profit	22,288	21,718	18,970	18,270	11,952
Other income	532	107	5,519	228	638
Profit before tax ("PBT")	6,561	7,941	12,251	10,784	6,445
Profit after tax ("PAT")	4,579	5,500	9,572	8,224	4,711
Adjusted PBT	7,925	8,695	9,266	-	-
Adjusted PAT	5,943	6,254	6,587	-	-
Total assets	76,708	52,474	44,947	52,690	30,551
Total equity	63,645	32,305	26,804	27,121	20,097
Total liabilities	13,063	20,169	18,143	25,569	10,454

Revenue +7.15% Gross Profit +2.62%



PBT (17.38)% PAT (16.75)%





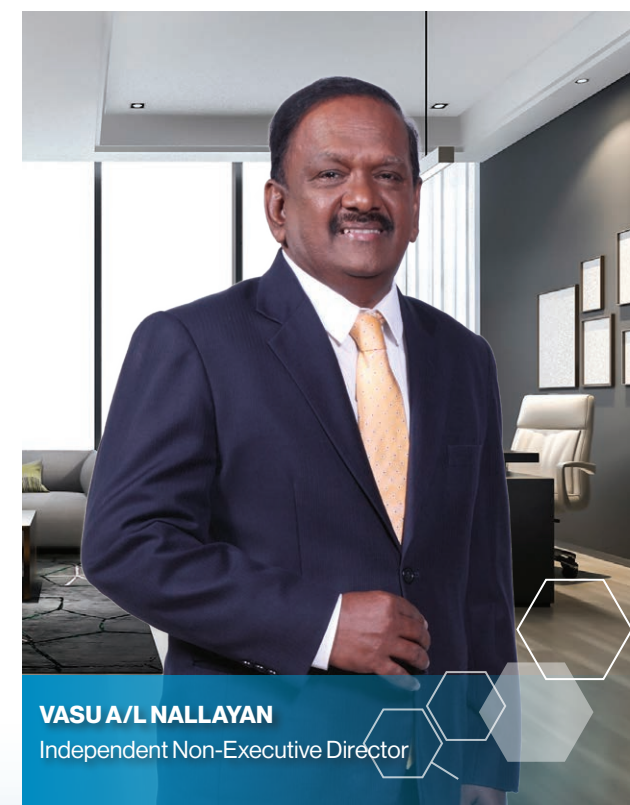
LEADERSHIP AND PEOPLE

02

Board of Directors	20
Directors' Profile	22
Board Composition	29
Key Senior Management Profile	31



BOARD OF DIRECTORS



BOARD OF DIRECTORS (CONT'D)

DIRECTORS' PROFILE



DATO' SERI ABDUL PUHAT BIN MAT NAYAN

Independent Non-Executive Chairman



Date Appointed to the Board:

23 August 2023

Age	Gender	Nationality
68	M	

Number of Board Meetings Attended (FYE2025):



Membership of Board Committees:

- Nil



Professional Experience

Dato' Seri Abdul Puhat bin Mat Nayan ("Dato' Seri Abdul Puhat") holds a Bachelor of Arts (Honours) degree from the University of Malaya and has served the nation in various capacities throughout a distinguished career spanning more than three decades. He began his public service journey in 1982 at the Public Service Department of Malaysia before being appointed as an Administrative and Diplomatic Officer in 1983. Over the years, he held progressively senior roles across multiple government agencies, gaining broad exposure in public administration, land management, rural development, sports governance and policy execution.

Notably, from 1997 to 2004, he served as Director of the Perak Sports Council, where he spearheaded athlete development and infrastructure enhancement. He was subsequently appointed District Officer of Kerian in 2004 and later President of the Kerian District Council, positions in which he oversaw strategic land development, licensing and community welfare initiatives. In 2007, he rose to become Director General of the Ministry of Rural Development, where he oversaw the implementation of nationwide rural development programmes spanning healthcare, education and social welfare.

In 2011, he was appointed Perak State Secretary, the highest-ranking civil servant in the state where he was responsible for economic development, budgetary management, legal compliance, crisis management and overall policy implementation for the state of Perak. He served in this role until his retirement in 2018.

Dato' Seri Abdul Puhat currently serves as Chairman of the Public Service Commission of Perak, a position he has held since 2022. His career reflects a legacy of service, leadership and governance that continues to underpin his role as Independent Non-Executive Chairman of OB Holdings Berhad. Dato' Seri Abdul Puhat holds directorships in several private limited companies. He does not hold any directorship in other public companies and listed issuers in Malaysia. He attended all four (4) Board of Directors' meetings held during the financial year ended 31 May 2025.



TEOH ENG SIA

Managing Director



Date Appointed to the Board:

1 June 2023

Age	Gender	Nationality
62	M	

Number of Board Meetings Attended (FYE2025):



Membership of Board Committees:

- Nil



Professional Experience

Mr. Teoh Eng Sia ("Mr. Teoh") obtained his London Chamber of Commerce & Industry ("LCCI"), Diploma in Accounting qualification via Kolej Unik Malaysia, 1997.

Mr. Teoh's career is defined by resilience, foresight and entrepreneurial drive. Beginning in the mid-1980s, he immersed himself in the food production industry and quickly demonstrated an outstanding aptitude for leadership, rising to the position of executive director within a year. His early experiences provided him with a deep understanding of manufacturing operations, people management and the discipline required to scale businesses. By 1991, he had been appointed Managing Director of a dried noodle manufacturing company, further honing his capabilities in overseeing production facilities and managing day-to-day operations.

In 1995, guided by a vision to transform the fortified F&B and dietary supplement industry, he co-founded Orient Biotech Sdn Bhd with his wife, laying the foundation for what is today OB Holdings Berhad. From its humble beginnings as a modest food ingredient supplier, he has led the Group with unwavering determination, building strong in-house research capabilities, spearheading product innovation and securing the Group's first export market in 2007. Over nearly three decades, he has cultivated a reputation for anticipating market trends, forging meaningful collaborations with research institutions and steering the Group towards sustained growth. His journey from entrepreneur to Managing Director of a publicly listed company epitomises the values of perseverance, innovation and long-term vision.

Mr. Teoh holds directorships in several private limited companies. He does not hold any directorship in other public companies and listed issuers in Malaysia. He attended all four (4) Board of Directors' meetings held during the financial year ended 31 May 2025.

DIRECTORS' PROFILE (CONT'D)

WONG CHUNG THENG

Non-Independent Non-Executive Director

 **Date Appointed to the Board:**
1 June 2023

Age
67

Gender
F

Nationality


Number of Board Meetings Attended (FYE2025):


Membership of Board Committees:
• Nil



Professional Experience

Madam Wong Chung Theng (“Madam Wong”) graduated from the University of Malaya with a Bachelor of Law (Honours) degree in 1982. She is a seasoned legal and corporate professional with over four decades of experience.

Madam Wong began her career in the Judicial Legal Service, where she served with distinction as a magistrate, senior federal counsel, and deputy public prosecutor. This early foundation instilled in her a high discipline and respect for law, order, and public service.

In 1991, she brought her expertise into the corporate world with Eastern Global (M) Sdn Bhd and later in 1994, joined Indah Water Konsortium Sdn Bhd as Legal Manager. Rising to become the Head of the Legal Department by 1997, she led the company’s legal strategies, oversaw compliances and ensured contractual soundness during a period of significant organisational growth. Her leadership ensured that the company consistently met its regulatory and industry obligations.

In 1995 alongside her husband, Mr. Teoh Eng Sia, she co-founded Orient Biotech Sdn Bhd towards the foundation of today’s OB Holdings Berhad. While her legal career kept her in the public and corporate sectors until 2008, her eventual transition into the Group as executive director marked a defining chapter in its history. She strengthened the Group’s administrative, legal, and secretarial functions, embedding

a culture of governance that has endured as the company scaled. In 2018, she relinquished her executive role in day-to-day operations and was subsequently appointed as Non-Independent Non-Executive Director, her role remains central as she continues to contribute her wisdom, oversight and values-driven leadership to the Group’s long-term strategic direction.

Her journey reflects a unique legacy: from shaping the Group’s corporate governance backbone to standing as one of the key figures stewarding OB Holdings Berhad into its new chapter as a listed entity.

Madam Wong holds directorships in several private limited companies. She does not hold any directorship in other public companies and listed issuers in Malaysia. She attended all four (4) Board of Directors’ meetings held during the financial year ended 31 May 2025.

DIRECTORS' PROFILE (CONT'D)

LEE BAO YU

Executive Director

 **Date Appointed to the Board:**
1 June 2023

Age
37

Gender
F

Nationality


Number of Board Meetings Attended (FYE2025):


Membership of Board Committees:
• Nil



Professional Experience

Ms. Lee Bao Yu (“Ms. Lee”) graduated from Curtin University of Technology with a Bachelor of Commerce in Accounting and Finance in 2012. She began her career as a Credit Controller at Ann Yak Siong Hardware Sdn Bhd, where she gained early exposure to financial management and credit operations. In 2013, she joined San Yang Enterprise Sdn Bhd as Business Manager, where she was responsible for accounts, sales and marketing, financial planning and customer relationship management in broadening her commercial and leadership experience.

In 2019, she joined OB Holdings Berhad as Data Analytic Manager, where she played a pivotal role in analysing sales performance, measuring the impact of marketing initiatives and managing the Group’s financial planning and cash flow. Her contributions in data-driven insights and cross-departmental coordination enhanced both efficiency and performance. In 2021, she was appointed as director of the Group with responsibility for finance and marketing functions and later focused primarily on marketing following the appointment of a Group Financial Controller in 2022.

Her leadership in expanding the Bonlife brand, particularly through e-commerce channels, has been instrumental in strengthening the Group’s market presence. She continues to drive innovation in marketing strategies, while ensuring alignment amongst various departments in achieving the Group’s long-term growth. Ms. Lee brings forward-looking perspectives that complement the legacy of the founders, positioning her as a key contributor to the Group’s future success.

Ms. Lee does not hold any directorship in other public companies and listed issuers in Malaysia. She attended all four (4) Board of Directors’ meetings held during the financial year ended 31 May 2025.

DIRECTORS' PROFILE (CONT'D)



DATO' HAJI MOHD DUSUKI BIN YA'ACOB

Independent Non-Executive Director



Date Appointed to the Board:

23 August 2023

Age

66

Gender

M

Nationality



Number of Board Meetings Attended (FYE2025):



Membership of Board Committees:

- Nomination Committee (Chairperson)
- Audit and Risk Management Committee (Member)
- Remuneration Committee (Member)



Professional Experience



Dato' Haji Mohd Dusuki bin Ya'acob ("Dato' Haji Mohd Dusuki") graduated with a degree in Geography from Universiti Kebangsaan Malaysia in 1983 and holds a Master of Arts in International Studies from Ohio University, United States, obtained in 1997.

He began his career in the Malaysian civil service in 1983 as an Assistant Secretary in the Ministry of Health, where he was responsible for procurement, budgeting, financial planning, audit reporting, and other finance-related matters. Over his 36-year tenure, he held various senior positions across multiple ministries and departments, including the Ministry of Rural Development, Ministry of Human Resources, Ministry of Home Affairs, and Hospital Kota Bharu. He also served as Director of the Registrar of Societies (Kelantan).

Dato' Haji Mohd Dusuki has extensive experience in government financial systems and procurement processes. As Director of the Procurement Division at the Ministry of Health, he oversaw procurement activities involving medical equipment, pharmaceuticals, and health-related products, including regulatory inspections for Good Manufacturing Practice compliance.

He retired from public service in December 2019. His appointment as an Independent Non-Executive Director of OB Holdings Berhad leverages his deep understanding of public sector operations and regulatory frameworks.

Dato' Haji Mohd Dusuki holds chairman in Kid Force Sdn. Bhd. He does not hold any directorship in other public companies and listed issuers in Malaysia. He attended all four (4) Board of Directors' meetings held during the financial year ended 31 May 2025.



VASU A/L NALLAYAN

Independent Non-Executive Director



Date Appointed to the Board:

23 August 2023

Age

62

Gender

M

Nationality



Number of Board Meetings Attended (FYE2025):



Membership of Board Committees:

- Remuneration Committee (Chairperson)
- Audit and Risk Management Committee (Member)
- Nomination Committee (Member)



Professional Experience



Mr. Vasu A/L Nallayan ("Mr. Vasu") graduated with a Bachelor of Business Administration from Universiti Kebangsaan Malaysia in 1989. He began his career the same year as an Economic Officer at Malaysian Investment Development Authority ("MIDA"), processing manufacturing licences and tax incentive applications for the textiles and building materials sector. He later assumed roles in the industrial metals and engineering support divisions before being appointed Director of MIDA's Melaka state office in 2001, where he oversaw regional investment promotion and facilitation.

In 2003, he returned to MIDA headquarters as Deputy Director of the industrial chemicals and life sciences division, before being posted to Osaka, Japan in 2005 as Director of MIDA's overseas office. There, he was responsible for strategic planning, investment promotion and facilitating bilateral trade and investment opportunities. In 2008, he established and led MIDA's overseas office in Mumbai, India, further strengthening Malaysia's investment outreach in South Asia.

He was promoted to Senior Deputy Director in 2008, subsequently leading the foreign direct investment division and later the machinery and metal technology divisions, where he was involved in shaping policies, attracting foreign investments and driving industrial development initiatives. He retired from MIDA in June 2023 after 34 years of service.

Mr. Vasu is currently a Director of MRV Corporate Advisory Sdn Bhd. He does not hold any directorship in other public companies and listed issuers in Malaysia. He attended all four (4) Board of Directors' meetings held during the financial year ended 31 May 2025.

DIRECTORS' PROFILE (CONT'D)



OOI GIN HUI

Independent Non-Executive Director

Date Appointed to the Board:
23 August 2023

Age 45
Gender F
Nationality

Number of Board Meetings Attended (FYE2025):



Membership of Board Committees:

- Audit and Risk Management Committee (Chairperson)
- Nomination Committee (Member)
- Remuneration Committee (Member)



Professional Experience

Ms. Ooi Gin Hui ("Ms. Ooi") graduated from University Tunku Abdul Rahman with a Bachelor of Commerce (Honours) in Accounting in 2006. She began her career as an Audit Trainee with Leslie Yap & Co, advancing to Audit Senior by 2009. She subsequently joined GHL Systems Berhad, a Main Market-listed company as Assistant Accountant before being promoted to Finance Manager in 2010, where she managed finance, corporate affairs and internal control.

In 2012, she joined Tanco Holdings Berhad as Finance Manager, rising to Senior Finance Manager in 2013 and Group Financial Controller in 2014. In this capacity, she oversaw overall finance and accounting functions, internal control systems and corporate exercises including project development.

In 2018, she was appointed Chief Financial Officer ("CFO") of ACO Group Berhad, where she led the company's finance function and was directly involved in its successful listing on the ACE Market of Bursa Malaysia in March 2020. She later contributed to voluntary service work before returning to corporate leadership in September 2023 as CFO of BTM Resources Berhad a role she held until July 2024.

She currently serves as an Independent Non-Executive Director of Saliran Group Berhad, which is listed on the ACE Market of Bursa Malaysia Securities Berhad and is also a partner in two limited liability partnerships. Her career demonstrates strong expertise in managing financial functions, strengthening corporate governance frameworks and guiding companies through complex regulatory and market requirements.

She attended all four (4) Board of Directors' meetings held during the financial year ended 31 May 2025.

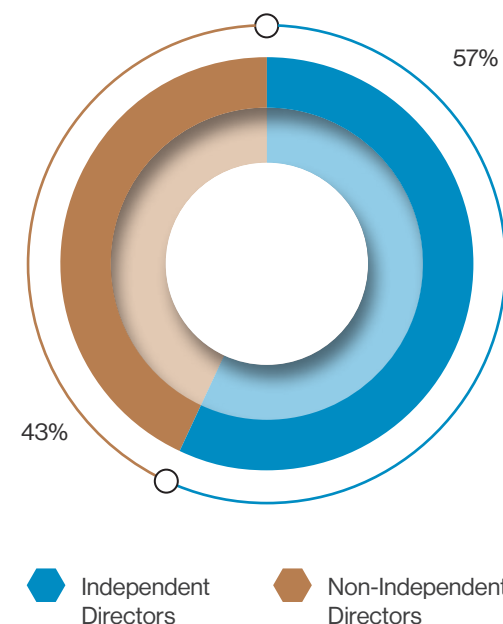
Notes:-

- None of the Directors have family relationship with other Directors and/or major shareholders of the Company except for the following:-
 - Mr. Teoh Eng Sia, the Managing Director and major shareholder of the Company, is the spouse of Madam Wong Chung Theng, the Non-Independent Non-Executive Director and major shareholder of the Company.
 - Ms. Lee Bao Yu, the Independent Non-Executive Director of the Company, is the daughter-in-law of Mr. Teoh Eng Sia and Madam Wong Chung Theng.
- None of the Directors have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries except as disclosed in the Notes of the Financial Statements of this Annual Report and the recurrent related party transactions disclosed in the circular to shareholders dated 30 September 2025.
- None of the Directors have been convicted of any offence in the past five (5) years, or been imposed on any public sanction or penalty by relevant regulatory bodies during the financial year ended 31 May 2025.

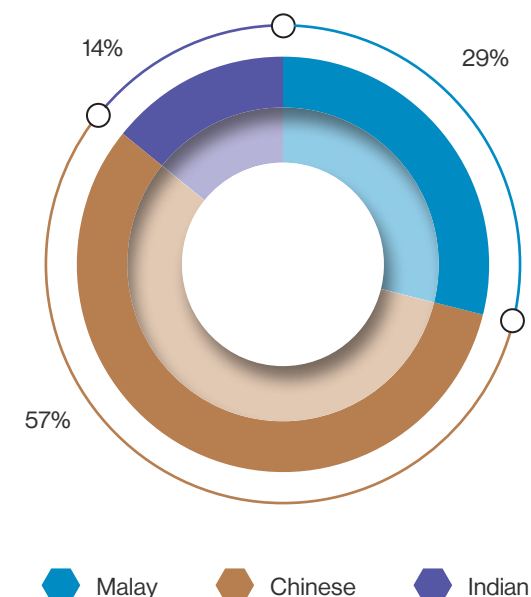
BOARD COMPOSITION

Board Composition Ratios

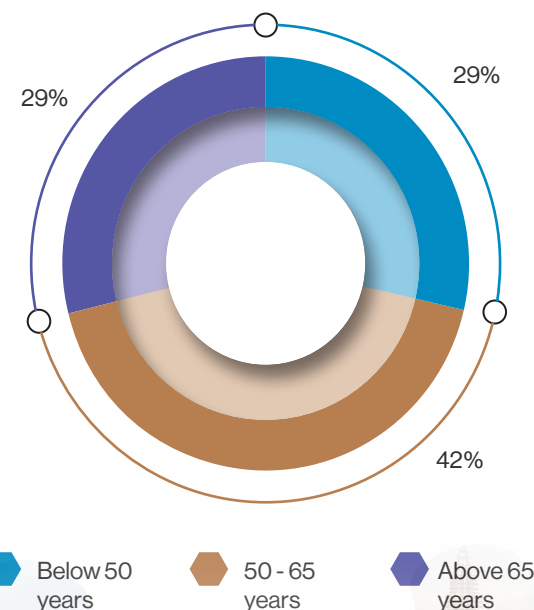
Board Composition by Independence



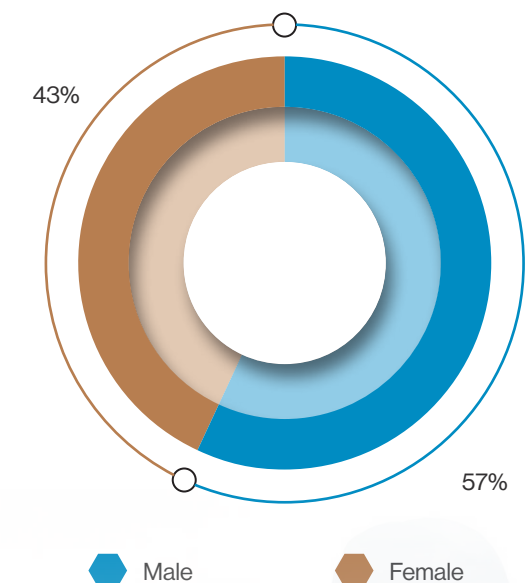
Board Composition by Ethnicity



Board Composition by Age



Board Composition by Gender



BOARD COMPOSITION (CONT'D)

Board Diversity and Composition

The Board of OB Holdings Berhad is committed to upholding the principles of good corporate governance by ensuring a balanced and diverse composition. As at the LPD, the Board comprises seven (7) members, of whom four (4) are Independent Non-Executive Directors, representing 57% independence, in line with and exceeding the requirements of Bursa Malaysia's Listing Requirements. This composition provides strong independent oversight and objective judgement in the Board's decision-making processes.

The Board also demonstrates gender diversity, with three (3) female directors constituting 43% of the Board, surpassing the 30% threshold recommended under the Malaysian Code on Corporate Governance (MCCG). The presence of female directors in both Executive and Independent roles reflects the Board's commitment to inclusivity and balanced perspectives.

From an age diversity perspective, the Board comprises members across different generational cohorts: 29% below the age of 50, 42% between the ages of 50 to 65, and 29% above the age of 65. This mix enables the Board to benefit from the energy of younger members, the stability of mid-career directors, and the wisdom and experience of senior leaders.

The Board further reflects Malaysia's ethnic diversity, with its composition comprising 43% Malay, 43% Chinese and 14% Indian representation, aligning with the Group's values of inclusivity and its stakeholder base.

Collectively, the diversity of the Board strengthens its ability to provide effective oversight, strategic guidance and stewardship of the Group, ensuring that the interests of shareholders and stakeholders are safeguarded in the long term.

Name	Age	Gender	Nationality	Position / Role	Independence	Key Board Committee Roles
Dato' Seri Abdul Puhat Bin Mat Nayan	68	M		Independent Non-Executive Chairman	Independent	
Teoh Eng Sia	62	M		Managing Director; Substantial Shareholder	Non-Independent	
Wong Chung Theng	67	F		Non-Independent Non-Executive Director; Substantial Shareholder	Non-Independent	
Lee Bao Yu	37	F		Executive Director	Non-Independent	
Dato' Haji Mohd Dusuki Bin Ya'acob	66	M		Independent Non-Executive Director	Independent	  
Vasu A/L Nallayan	62	M		Independent Non-Executive Director	Independent	  
Ooi Gin Hui	45	F		Independent Non-Executive Director	Independent	  

 Chairman of the Board  Nomination Committee  Remuneration Committee  ARMC  Chair  Member

KEY SENIOR MANAGEMENT PROFILE



LEW YOKE CHIN
General Manager

Responsibilities and Scope
As General Manager, Ms. Lew Yoke Chin ("Ms. Lew") provides leadership across the Group's commercial and operational functions. She oversees the sales, marketing and manufacturing activities, while driving business development initiatives that position the Group for sustainable growth. Her mandate includes



Date of Appointment as General Manager:
1 December 2022

Age
43

Gender
F

Nationality


expanding market reach, strengthening brand presence, and optimising production efficiency to support long-term strategic objectives.

Professional Qualifications
Ms. Lew graduated with a Bachelor of Science with Education (Biology) from Universiti Teknologi Malaysia in 2004.

Professional Experience
She began her career in product development before joining the Group in 2005, where she progressively advanced from Microbiologist to Research & Development Executive, Production Manager and production cum Senior Manager overseeing both production and sales. Throughout her career, she has been instrumental in establishing robust production protocols, leading product innovation in fortified beverages and dietary supplements, and implementing strategic marketing initiatives. In 2016, she had taken on dual responsibilities in production and sales, strengthening distribution channels and pioneering e-commerce strategies for the Group's products.

Appointed General Manager in 2022, Ms. Lew now leads multidisciplinary teams, ensuring operational excellence and strategic market expansion, reflecting her strong capability to integrate science, operations and commercial growth into the Group's success story.

Ms. Lew brings nearly two decades of institutional knowledge, combining technical expertise with commercial leadership. Her ability to bridge operations, innovation and market development makes her integral to the Group's continued growth and operational resilience.



LEE CHEE KEAT
Research & Development Manager

Responsibilities and Scope
As Research & Development ("R&D") Manager, Mr. Lee Chee Keat ("Mr. Lee") leads the Group's innovation agenda, spearheading research and development to advance product leadership in fortified beverages and dietary supplements. He oversees the in-house research team, manages regulatory compliance for product certifications, and ensures that new formulations align with consumer health needs and emerging market trends.



Date of Appointment as R&D Manager:
1 June 2019

Age
43

Gender
M

Nationality


Professional Qualifications
Mr. Lee holds a Bachelor of Science Nutrition (Honours) degree from Universiti Kebangsaan Malaysia (2006) and Master of Business Administration from UNITAR International University (2024). He is a Registered Nutritionist with the Malaysian Allied Health Professions Council, Ministry of Health Malaysia (2024), and a member of the Nutrition Society of Malaysia. He also obtained Certificate of Basic Life Support for Non-Healthcare Provider in year 2025.

Professional Experience
He joined the Group in 2007 as nutritionist and has since been pivotal in institutionalising the Group's R&D capabilities. In 2009, he was promoted to the position of quality assurance cum R&D manager, where he developed rigorous quality control systems, established the in-house research unit, and spearheaded product innovation pipelines. His leadership has ensured compliance with HALAL, HACCP and product registration compliance with DRGD, NPRA Malaysia strengthening the Group's credibility in both local and international markets.

Since 2019, as R&D Manager, he has guided the Group's transition from a production-led organisation into one anchored in continuous innovation, reinforcing its ability to compete as a science-driven, market-responsive company.

Mr. Lee drives the Group's innovation pipeline, ensuring that research and product development remain responsive to both regulatory standards and consumer demand. His leadership reinforces the Group's positioning as a science-driven, health-focused company.

- Member, Nutrition Society of Malaysia (2024)

KEY SENIOR MANAGEMENT PROFILE (CONT'D)



PANG POH LYE
Legal Manager

**Date of Appointment as Legal Manager:**
1 December 2022

Age
64

Gender
F

Nationality


Professional Qualifications
Ms. Pang holds a Bachelor of Laws (Honours) degree from the University of London and was admitted as an Advocate & Solicitor of the High Court of Malaya in 1999.

Professional Experience
She began her career in taxation before pursuing law, later practising conveyancing and banking law. She joined the Group in 2003, initially providing compliance and administrative support, and later assumed responsibility as Personal Assistant to the Managing Director, supporting cross-departmental coordination.

Her dual background in taxation and law, coupled with two decades of institutional knowledge within the Group, makes her a key guardian of compliance and corporate integrity.

Ms. Pang ensures that the Group operates within a robust governance framework, mitigating legal risks and safeguarding regulatory compliance. Her long institutional tenure provides stability and continuity in legal oversight.

Responsibilities and Scope
As Legal Manager, Ms. Pang Poh Lye (“Ms. Pang”) provides critical oversight of the Group’s legal, compliance and regulatory affairs. She ensures that all contracts, licences, certifications and intellectual property matters are aligned with legal requirements, while also safeguarding the Group’s governance framework.

Since being redesignated as Legal Manager in 2022, she has formalised her role in overseeing legal strategy, compliance and risk management.



YAP WENG FONG
Production Manager

**Date of Appointment as Production Manager:**
1 September 2019

Age
49

Gender
F

Nationality


Professional Qualifications
Ms. Yap completed her secondary education at Sekolah Menengah Kebangsaan (Perempuan) Jalan Ipoh, 1992.

Professional Experience
She joined the Group in 2001 and has steadily risen through the ranks from Production Worker to Supervisor, Assistant Quality Assurance Manager, and Assistant Production Manager. Her career trajectory reflects her deep technical expertise, operational discipline and leadership capability.

Ms. Yap provides hands-on leadership rooted in more than two decades of operational experience. Her proven ability to manage resources and maintain consistent production quality is pivotal to the Group’s manufacturing reliability.

Responsibilities and Scope
As Production Manager, Ms. Yap Weng Fong (“Ms. Yap”) is responsible for the Group’s end-to-end production management. She ensures operational efficiency, quality assurance, and on-time delivery across all manufacturing lines, while driving continuous improvement in production planning, resource utilisation and cross-departmental coordination.

In 2019, she was promoted to her current position of Production Manager and leads the Group’s production function, ensuring adherence to quality standards and operational targets. With over two decades of hands-on experience, she has been instrumental in shaping the Group’s production culture — one that prioritises efficiency, quality and accountability.

KEY SENIOR MANAGEMENT PROFILE (CONT'D)



CHONG KA WEA
Financial Controller

**Date of Appointment as Financial Controller:**
1 August 2025

Age
35

Gender
M

Nationality


Responsibilities and Scope
As Financial Controller, Mr. Chong Ka Wea (“Mr. Chong”) leads the Group’s finance function, overseeing financial management, statutory reporting, budgeting, forecasting, taxation, treasury and risk management. He ensures compliance with regulatory requirements, strengthens internal controls and provides financial insights that support strategic planning and decision-making.

Professional Qualifications
Mr. Chong holds a Bachelor of Commerce in Accounting from the University of South Australia and is a member of the Malaysian Institute of Accountants.

Professional Experience
He began his career with Grant Thornton Malaysia in 2014 before assuming senior finance roles at TFP Solutions Berhad, MMIS Berhad and Thermo Cooling Engineering Sdn. Bhd. He joined the Company in 2023 as Corporate Manager and subsequently appointed as Financial Controller in 2025, contributing significantly to IPO readiness and audit processes.

Mr. Chong strengthens the Group’s financial governance and resilience. His expertise in IPO preparation, audit processes and strategic financial management supports the Group’s compliance obligations and growth ambitions as a listed entity.



TAN MEI YEAN
Factory Manager

**Date of Appointment as Factory Manager:**
8 July 2025

Age
34

Gender
F

Nationality


Professional Qualifications
Ms. Tan holds a Bachelor of Engineering (Hons) in Chemical Engineering (Petrochemical) from UCSI University (2015), Professional Certificate in Maintenance Management (2018) and is a Certified Environmental Professional in the Operation of Industrial Effluent Treatment Systems (CePIETSO-PCP), awarded by EiMAS in 2019.

Professional Experience
Ms. Tan brings nearly a decade of experience in production management, quality assurance and compliance across food, dairy and pharmaceutical industries. Her career began in 2016 with Able Dairies Sdn Bhd, where she improved production output, strengthened SOP compliance and managed environmental performance monitoring. She subsequently served as Production Executive with Motivage Sdn Bhd, where she was involved in setting up a new factory, commissioning systems and preparing the facility for HALAL and HACCP certification.

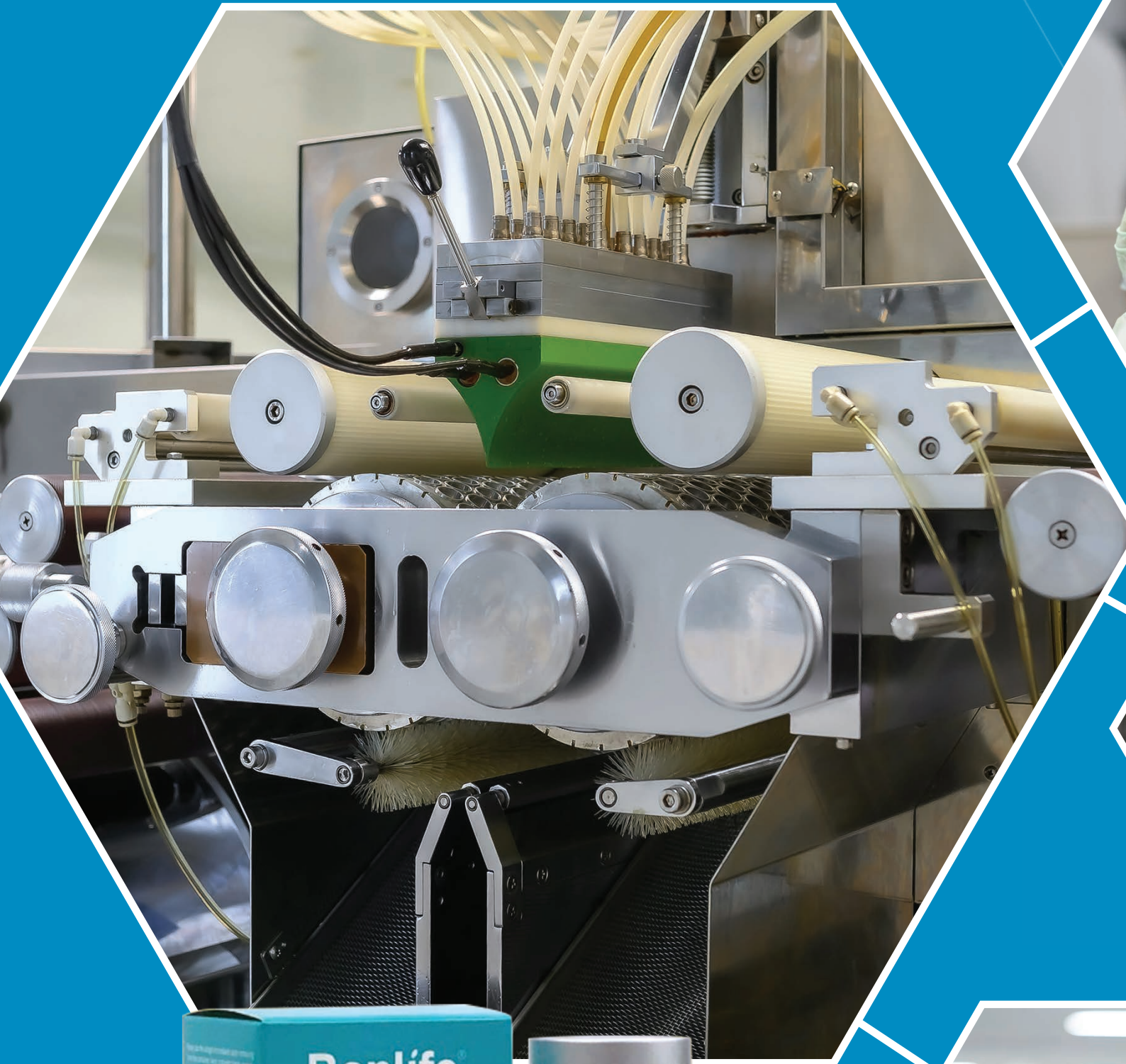
efficiency, CAPEX installations and product quality improvements. Most recently, she served as Assistant Factory Manager at Best Cosmetics Laboratories Sdn Bhd, where she achieved cost savings in material usage, improved GMP working conditions, minimised quality-related bulk rejections and supported HALAL applications for international partners.

Appointed Factory Manager of OB Holdings Berhad in July 2025, she now leads the Group’s factory operations, ensuring operational excellence, regulatory compliance and continuous improvement.

Ms. Tan brings technical depth, regulatory expertise, and cross-industry production experience to the Group’s manufacturing operations. Her ability to integrate quality assurance, compliance and operational efficiency strengthens the Group’s factory performance and underpins its capacity to scale production in line with market expansion.

Her career progressed with Nestlé Manufacturing (Malaysia) Sdn Bhd and F&N Dairies, where she held manufacturing excellence and production roles, driving

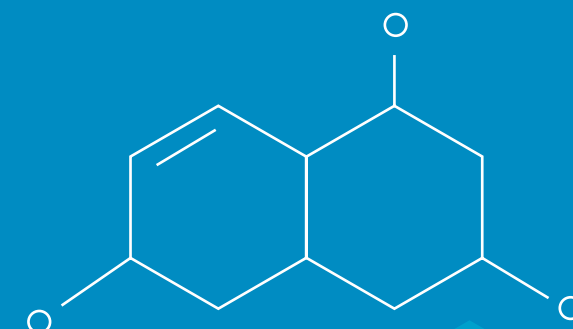
- Notes:**
- None of the key senior management holds any directorship in public companies and listed issuers.
 - None of the key senior management has any family relationship with any Directors and/or major shareholders of the Company.
 - None of the key senior management has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.
 - None of the key senior management has been convicted of any offences within the past five (5) years or been imposed on any public sanction or penalty by relevant regulatory bodies during the financial year ended 31 May 2025, other than for traffic offences (if any).



PERFORMANCE REVIEW

03

Chairman's Statement	36
Management Discussion and Analysis Managing Momentum, Navigating Opportunity	44
Sustainability Statement	52



Dato' Seri Abdul Puhat Bin Mat Nayan
Independent Non-Executive Chairman

CHAIRMAN'S STATEMENT

DEAR VALUED SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Chairman's Statement of OB Holdings Berhad ("OB Holdings" or "the Company") and its subsidiaries ("the Group") for the financial year ended 31 May 2025 ("FYE2025"), a year that marked an important milestone in our corporate journey following our listing on the ACE Market of Bursa Malaysia Securities Berhad.

CHAIRMAN'S STATEMENT (CONT'D)

Integrated and Diversified: Our Business DNA

Since the incorporation of OB Holdings on 1 June 2023 as the Group's investment holding entity, we have progressively consolidated our operations under the Group. This was further strengthened following the completion of the acquisitions of our key subsidiaries, positioning us as a fully integrated player in the fortified food and beverages ("F&B") and dietary supplements industry. Our Group's heritage, however, can be traced back much further. The oldest subsidiary within the Group, Orient Biotech Sdn. Bhd., was established in 1995. From these beginnings as a supplier of food ingredients to beverages and dietary supplements manufacturers, the business has steadily evolved with a clear strategic focus and commitment to long-term value creation. Over nearly three decades, this foundation has enabled us to build not only dependable manufacturing capabilities but also the versatility to serve a diverse clientele across both business-to-business ("B2B") and business-to-customer ("B2C") segments.

Today, the Group stands recognised for its ability to integrate heritage and innovation, leveraging nearly 30 years of industry expertise to deliver long-term growth while expanding its reach across domestic and international markets.

We have firmly established ourselves as a trusted and value-adding partner to renowned third-party brands, while concurrently building a growing portfolio of our own house brands. These include Bonlife, GoHerb, Zen Night, EZ:Nitez, Sleepin'Beaute, Beyoute, Zen Youte and Zenliv, each tailored to meet rising consumer demand for health and wellness solutions across immunity, bone health, sleep and beauty.

Our integrated model is underpinned by an unwavering dedication to product quality, research-driven innovation and stringent regulatory compliance. Our facilities and processes meet internationally recognised standards such as Good Manufacturing Practices ("GMP"), International Organisation for Standardisation 9001 ("ISO 9001"), Hazard Analysis and Critical Control Points ("HACCP"), National Pharmaceutical Regulatory Agency ("NPRA") and registration with the US Food and Drug Administration ("FDA"). These certifications not only assure product integrity but also position the Group for regional and global expansion in a highly regulated industry.

“ THIS FOUNDATION HAS ENABLED US TO BUILD NOT ONLY DEPENDABLE MANUFACTURING CAPABILITIES BUT ALSO THE VERSATILITY TO SERVE A DIVERSE CLIENTELE ACROSS BOTH B2B AND B2C SEGMENTS. ”

“ THESE INCLUDE BONLIFE, GOHERB, ZEN NIGHT, EZ:NITEZ, SLEEPIN'BEAUTE, BEYOUTE, ZEN YOUTE AND ZENLIV, EACH TAILORED TO MEET RISING CONSUMER DEMAND FOR HEALTH AND WELLNESS SOLUTIONS ACROSS IMMUNITY, BONE HEALTH, SLEEP AND BEAUTY. ”

“ OUR FACILITIES AND PROCESSES MEET INTERNATIONALLY RECOGNISED STANDARDS SUCH AS GMP, ISO 9001, HACCP, NPRA AND FDA. ”



CHAIRMAN'S STATEMENT (CONT'D)

Stronger Financials, Sharper Focus

The highlight of FYE2025 was undoubtedly our successful listing on the ACE Market of Bursa Malaysia Securities Berhad on 29 October 2024. This pivotal achievement marked a new era for the Group, elevating our corporate profile and unlocking new avenues for strategic growth. Our Initial Public Offering (“IPO”) not only raised RM28.8 million in gross proceeds but also reflected the market confidence in our business model and future prospects, as evidenced by our shares opening at a 4.17% premium to the issue price.

The capital raised has allowed us to significantly strengthen our financial position, enhancing our financial resilience and providing us with the flexibility to pursue high-impact investments. These include upgrading our manufacturing infrastructure, expanding automation capabilities and accelerating product development efforts. We have also channelled funds towards strengthening our brand presence and marketing initiatives, with a view to expanding both our domestic and regional market reach.

This prudent capital allocation strategy ensures that every dollar raised through the IPO contributes meaningfully to our long-term vision. With a sharper financial foundation, the Group is now better positioned to scale sustainably, respond swiftly to market dynamics and deliver consistent value to all stakeholders.



“THE HIGHLIGHT OF FYE2025 WAS UNDOUBTEDLY OUR SUCCESSFUL LISTING ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD ON 29 OCTOBER 2024.”

Building for Tomorrow: The New Serendah Facility



During FYE2025, our business continued to evolve in line with our long-term vision for integrated and sustainable growth. Our strategic business model comprising provision of manufacturing services of fortified F&B and dietary supplements to third party brand owners and our house brands products, and trading, has proven instrumental in enabling us to diversify revenue streams and reduce reliance on any single segment or customer. This structural flexibility has allowed us to mitigate market volatility and better withstand external disruptions.

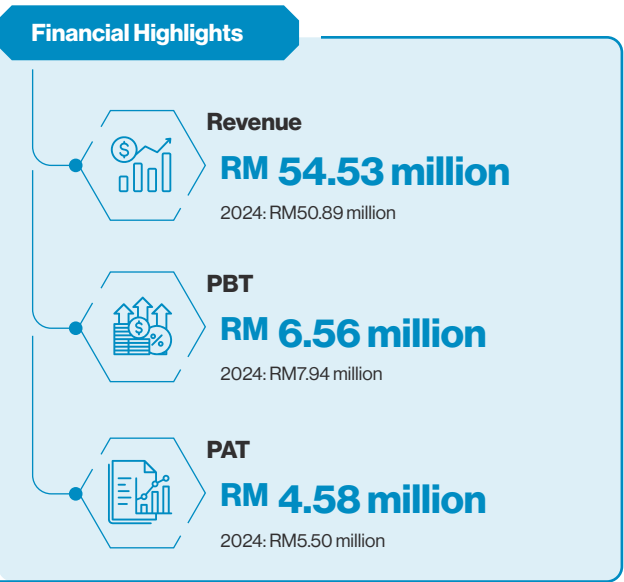
For the year under review, the Group recorded revenue of RM54.53 million, reflecting sustained demand across our key product categories and client base. Excluding one-off listing expenses of RM1.36 million, our adjusted PBT stood at RM7.93 million and our adjusted PAT was RM5.94 million, indicating the underlying profitability of the business of our core operations and the sound execution of our commercial strategies.

Post-IPO, we exercised disciplined capital stewardship to fortify our financial standing. As a result, our cash and bank balances rose to RM21.88 million after taking into account of the IPO proceeds raised while our borrowings were significantly pared down to RM6.78 million following the repayment of bank loans using the IPO proceeds earmarked for debt reduction as at the end of FYE2025. This healthier financial position not only enhances our resilience against macroeconomic fluctuations but also equips us with greater agility to pursue expansionary and value-accretive initiatives.

This foundation will be critical as we advance the development of our new Serendah Factory, a landmark investment designed to support the Group's future growth trajectory. Upon completion, this facility will increase our production capacity and enhance operational efficiency, paving the way for in-house innovation in probiotics and advanced formulations.

CHAIRMAN'S STATEMENT (CONT'D)

“UPON COMPLETION, THIS FACILITY WILL INCREASE OUR PRODUCTION CAPACITY AND ENHANCE OPERATIONAL EFFICIENCY, PAVING THE WAY FOR IN-HOUSE INNOVATION IN PROBIOTICS AND ADVANCED FORMULATIONS.”



Innovating with Intent, Collaborating for Growth

A major strategic development of commencement of construction for our new Serendah Factory in January 2024 making a cornerstone investment in the Group's long-term growth strategy. The project remains on track for completion in first half of 2026 with business operations slated to begin in second half of 2026. More than just a physical expansion, this facility represents a leap forward in our technological capabilities and commitment to product innovation.

Once operational, the new Serendah Factory will substantially enhance our manufacturing output while improving process efficiency and scalability. Most importantly, it will support our ambitions in research-led innovation, specifically the in-house development of proprietary probiotic strains and advanced functional food formulations. These research and development (“R&D”) capabilities will enable us to respond swiftly to emerging consumer health trends and carve out a distinct niche in the increasingly competitive wellness and nutraceutical space.

By anchoring our innovation agenda within a purpose-built facility, the Group aims to become a future-ready and a science-driven organisation. This strategic expansion reflects not just our growth ambitions, but our intention to lead by setting higher benchmarks in quality, differentiation and regional relevance.

Broadening Horizons, Deepening Market Reach

Looking ahead, we remain optimistic about the continued growth potential of the fortified F&B and dietary supplements industry, both in Malaysia and across regional markets. The increasing prevalence of non-communicable diseases (“NCDs”), including diabetes and cardiovascular conditions, has driven a fundamental shift in consumer behaviour, with more individuals prioritising preventive health through nutrition. Coupled with an ageing population and heightened post-pandemic awareness of immunity and wellness, these trends provide a strong and sustained demand base for our products.

The Group's brand portfolio and manufacturing capabilities are well-positioned to meet these evolving consumer needs through scientifically formulated, high-quality offerings. We see further upside in expanding our product categories and geographic reach, particularly across ASEAN markets where urbanisation and health literacy are rising in tandem.

In addition to demand-side drivers, the broader macroeconomic landscape remains supportive. Malaysia's stable Gross Domestic Product (“GDP”) outlook, improving household income, and proactive government initiatives aimed at developing high-growth, export-driven sectors including health tech, halal F&B, and biotechnology are expected to reinforce industry momentum. These enabling conditions set the stage for the Group to scale both responsibly and rapidly, in line with our ambition to build a leading regional health and wellness enterprise.

“WE REMAIN CAUTIOUSLY OPTIMISTIC ABOUT THE CONTINUED GROWTH POTENTIAL OF THE FORTIFIED F&B AND DIETARY SUPPLEMENTS INDUSTRY, BOTH IN MALAYSIA AND ACROSS REGIONAL MARKETS. THE INCREASING PREVALENCE OF NCDs, INCLUDING DIABETES AND CARDIOVASCULAR CONDITIONS, HAS DRIVEN A FUNDAMENTAL SHIFT IN CONSUMER BEHAVIOUR, WITH MORE INDIVIDUALS PRIORITISING PREVENTIVE HEALTH THROUGH NUTRITION.”

CHAIRMAN'S STATEMENT (CONT'D)

Positioned to Thrive in a Supportive Policy Landscape

As we close the chapter of FYE2025, we reflect with pride on the progress we have made and the strong foundation we have built for the future. The year was one of momentum and milestones, underscored by our successful public listing and strategic advances in innovation, capacity building and market expansion. These accomplishments were made possible through the steadfast support and trust of our shareholders, customers, business partners and regulators, to whom we express our deepest appreciation.

We also extend heartfelt gratitude to our dedicated employees, whose unwavering commitment, agility and resilience continue to be the driving force behind the Group's growth journey. Your contributions remain instrumental as we navigate an increasingly dynamic and opportunity-rich landscape.

Looking ahead, we do so with confidence supported by favourable government policies, robust demand fundamentals and our own sharpened strategic focus. We remain committed to delivering long-term, sustainable value to all stakeholders while elevating the Group's presence as a leader in the regional health and wellness industry.

Business Overview - Laying the Foundation: Who We Are and What We Do

The Group is an established integrated manufacturer and provider of fortified F&B as well as dietary supplements, with its corporate headquarters in Selangor, Malaysia. The Group has grown from its early days as from supplying food ingredients for beverages and dietary supplements then manufacturer to provide subcontractor services then manufacturing of fortified F&B and dietary supplement into a dynamic enterprise with a diversified business model spanning third-party manufacturing, proprietary house brands and trading operations.

Our principal operations revolve around the formulation, blending and packaging of fortified dairy and non-dairy beverages, and dietary supplements tailored to a health-conscious and increasingly discerning consumer base. Our proprietary brands Bonlife, GoHerb, Zen Night, EZ:Nitez, Sleepin'Beaute, Beyoute and Zen Youte serve targeted wellness functions such as immunity, bone health, sleep, beauty and overall vitality. These are complemented by our longstanding role as a reliable contract manufacturing partner for numerous local and regional clients across Asia.

Our manufacturing footprint is anchored by strategically located facilities:



Selayang Factory:

Our original site, equipped with stable production lines and operational maturity.



Serendah Facilities:

This includes both our current rented plant and the new Serendah Factory, now under construction and scheduled for completion in the first half of 2026. Once operational, this facility will significantly boost our output and technical capabilities.

In keeping with our innovation-forward strategy, our wholly-owned subsidiary, Orient Biotech Sdn. Bhd., took a significant step forward in May 2025 by signing Letters of Intent with CSPC Innovation Pharmaceutical Co., Ltd. and CSPC Weisheng Pharmaceutical (Shijiazhuang) Co., Ltd. both subsidiaries of CSPC Pharmaceutical Group Limited. These agreements signal our intention to co-develop competitive, technologically advanced products for functional food and supplement markets across the region.

Our operations are certified under GMP, ISO 9001, HACCP, NPRA and registered with the US FDA underscoring our strong commitment to product safety, regulatory excellence and international market readiness. Our in-house R&D team continues to lead innovation initiatives, including the development of proprietary probiotic strains and functional formulations that align with evolving consumer needs.



CHAIRMAN'S STATEMENT (CONT'D)

As at the end of the FYE2025, the strength of our integrated model is reflected in our revenue composition:



Manufacturing services contributed **RM 32.50 million** (59.60% of revenue)

House brand product sales generated **RM 15.77 million** (28.92% of revenue)



Trading and other activities accounted for **RM 6.26 million** (11.48% of revenue)

This diversified structure offers business resilience while positioning us to seize new market opportunities in both established and emerging wellness segments.

Our ambitions extend beyond Malaysia. During the year under review, export activities contributed approximately 9.06% of Group revenue affirming our intent to grow our regional and international footprint. With a strong financial foundation, recognised manufacturing credentials and a clear innovation agenda, the Group is well-positioned to pursue sustainable growth and create enduring value for all stakeholders.



“OUR WHOLLY-OWNED SUBSIDIARY, ORIENT BIOTECH SDN. BHD., TOOK A SIGNIFICANT STEP FORWARD IN MAY 2025 BY SIGNING LETTERS OF INTENT WITH CSPC INNOVATION PHARMACEUTICAL CO., LTD. AND CSPC WEISHENG PHARMACEUTICAL (SHIJIAZHUANG) CO., LTD. BOTH SUBSIDIARIES OF CSPC PHARMACEUTICAL GROUP LIMITED.”



CHAIRMAN'S STATEMENT (CONT'D)

Review of FYE2025: Delivering Results in a Year of Strategic Progress

FYE2025 marked a defining period of progress, resilience, and strategic advancement for the Group, underpinned by strong macroeconomic fundamentals and a maturing business foundation post-IPO.

Globally, the second half of 2024 witnessed firm economic momentum supported by recovering consumer confidence, resilient labour markets and the easing of supply chain disruptions. However, rising geopolitical tensions and shifting tariff structures introduced new complexities to international trade dynamics. According to the International Monetary Fund ("IMF"), global economic growth is expected to hold steady at 3.1% in 2024 and improve slightly to 3.2% in 2025 signalling moderate expansion in the face of ongoing uncertainty.

Domestically, Malaysia recorded a commendable GDP growth of 5.1% in 2024, fuelled by robust domestic demand and export recovery. The national Budget 2025 further projects GDP to expand between 4.5% and 5.5% in 2025, pointing to continued resilience in the local economy. Complementing this outlook, data from Bank Negara Malaysia indicates that gross national income ("GNI") is expected to grow from RM1.87 trillion in 2024 to RM1.98 trillion in 2025, reflecting rising household purchasing power a key enabler for consumer-driven sectors such as fortified F&B and dietary supplements.

Consumer behaviour continues to shift towards preventive wellness and functional nutrition, a trend that has gained permanence since the onset of the COVID-19 pandemic. Industry projections reinforce this trajectory: the global functional food ingredients market is forecasted to grow by USD53.14 billion from 2024 to 2028, with a compound annual growth rate ("CAGR") of approximately 7.38% (Technavio, 2024). These developments offer timely opportunities for the Group, given our clear focus on fortified F&B and scientifically formulated health products.

Internally, FYE2025 was a meaningful year for the Group, catalysed by our listing on the ACE Market of Bursa Malaysia in October 2024. The Initial Public Offering raised RM28.8 million, bolstering our capital base to support strategic initiatives. To date, proceeds have been channelled towards debt repayment, working capital and initial investments in machinery and product development laying the groundwork for our future growth trajectory.

“

FYE2025 WAS TRANSFORMATIVE FOR THE GROUP, CATALYSED BY OUR SUCCESSFUL LISTING ON THE ACE MARKET OF BURSA MALAYSIA IN OCTOBER 2024.

”

Financially, the Group recording revenue of RM54.53 million, PBT of RM6.56 million, and PAT of RM4.58 million. These results underscore the strength of our diversified revenue base and disciplined cost management. In addition, the Group's cash position was strengthened while borrowings were reduced to RM6.78 million, enhancing our ability to execute key capital projects chief among them, the new Serendah Factory slated for commence operation in second half of 2026.

From a geographical perspective, Malaysia remained the Group's largest contributor with RM49.59 million in revenue, reflecting the resilience of our domestic operations, followed by Hong Kong contributed RM2.53 million, while Thailand contributed RM1.91 million. Other markets demonstrated steady growth, including Singapore at RM0.16 million and the United States at RM0.33 million, with Taiwan recording RM0.01 million. This broad geographical reach highlights the Group's ability to capture opportunities across both established and emerging markets, thereby mitigating concentration risks and supporting long-term expansion.

Innovation remained central to our progress. During the year, we launched a clinical trial for our proprietary Bonlife SachaQ10 Plus Softgel. We also initiated preparations to establish a dedicated laboratory at our upcoming factory supporting our ambition to lead in probiotic strain development and in-house functional R&D.

As we navigate into the next phase of our journey, the Group remains confident in our ability to grow sustainably anchored by sound fundamentals, a forward-looking business model and a deep understanding of evolving market trends.

“

WE LAUNCHED A CLINICAL TRIAL FOR OUR PROPRIETARY BONLIFE SACHAQ10 PLUS SOFTGEL.

”



CHAIRMAN'S STATEMENT (CONT'D)

Together, We Advance

While we remain cautiously optimistic about the outlook for 2025 and beyond, we are also aware of the potential challenges that lie ahead. Geopolitical uncertainties, foreign exchange volatility and escalating operational costs continue to present risks that could impact business performance across industries. However, we view these headwinds not as deterrents, but as opportunities to demonstrate our resilience, strategic clarity and operational strength.

Our integrated and diversified business model equips us with the flexibility to adapt quickly to changing market conditions, while our expanding product portfolio and growing regional footprint provide multiple levers for sustainable growth. With a clear roadmap, robust governance and a deep commitment to innovation, OB Holdings is well-positioned to navigate uncertainty and capture emerging opportunities in the health and wellness sector.

As we continue our journey, we do so with purpose and clarity guided by the values that have brought us this far and the ambition to create long-term value for all stakeholders. With this, we are pleased to present the Management Discussion and Analysis ("MD&A"), which offers a comprehensive review of the Group's operational, financial and strategic performance during FYE2025.

A Note of Gratitude: Chairman's Appreciation Note

On behalf of the Board of Directors, I wish to extend my heartfelt appreciation to our valued shareholders, customers, business partners and regulators for their unwavering support throughout the financial year. Your confidence in OB Holdings has been instrumental in enabling us to advance our strategic initiatives and deliver sustainable growth.

I would also like to express my sincere gratitude to our dedicated management team and employees. Your resilience, commitment and professionalism have been the driving force behind our achievements, especially as we navigated a dynamic operating environment and embarked on transformative projects such as our IPO and the construction of the New Serendah Factory.

As we look ahead to the opportunities and challenges of the coming year, I remain confident that with the continued dedication of our people, the trust of our stakeholders, and our shared commitment to innovation and excellence, OB Holdings is well positioned to achieve long-term success and create enduring value for all.

Thank you.



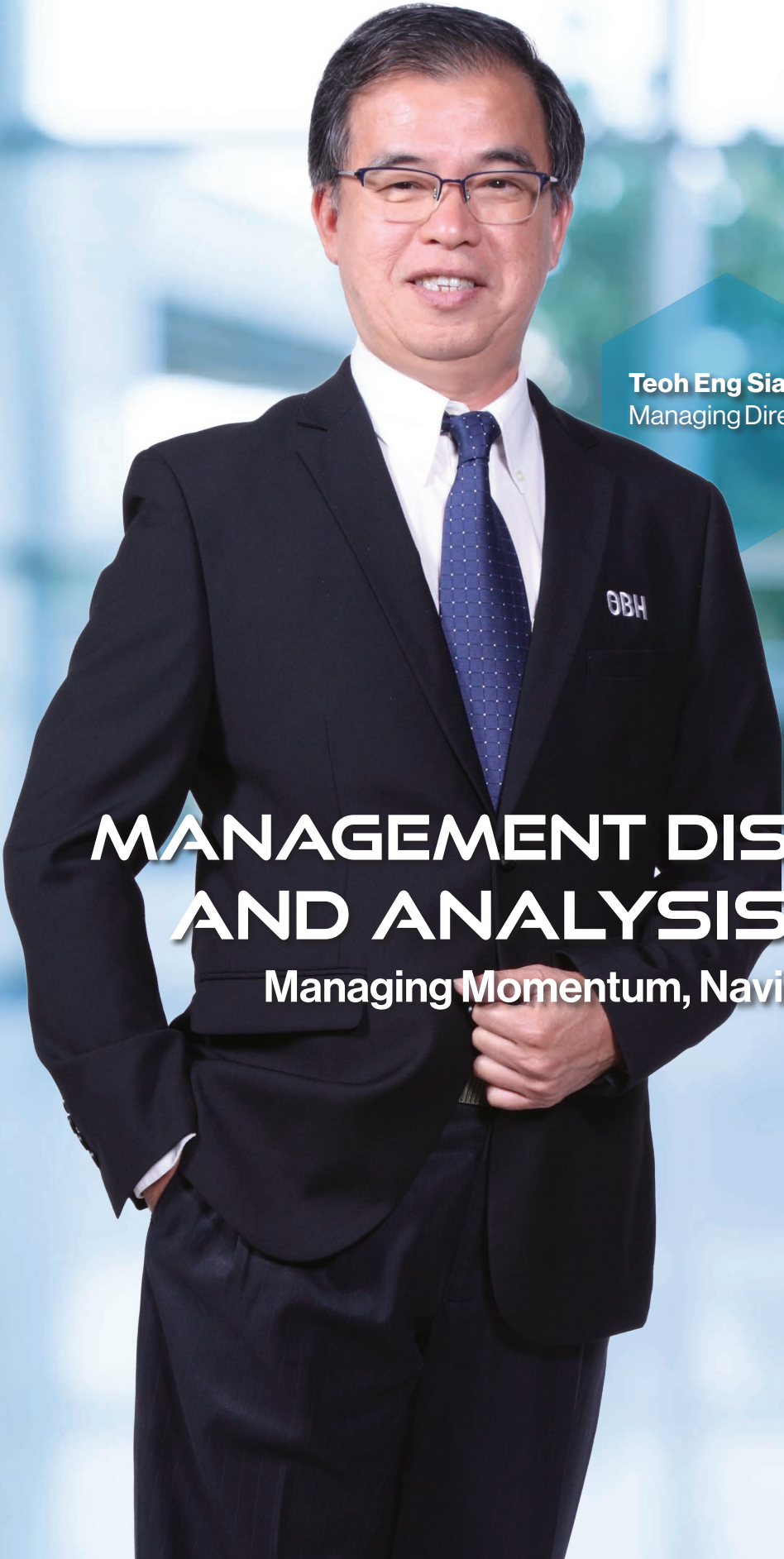
Dato' Seri Abdul Puhat Bin Mat Nayan
Independent Non-Executive Chairman

¹ <https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025>

² <https://belanjawan.mof.gov.my/en/>

³ https://www.bnm.gov.my/documents/20124/17523401/emr2024_en_annex.pdf

⁴ <https://themalaysianreserve.com/2024/05/21/functional-food-ingredients-market-size-is-set-to-grow-by-usd-53-14-bn-from-2024-2028-increased-demand-for-functional-food-ingredients-from-probiotics-segment-to-boost-the-market-growth-technavio/>



Teoh Eng Sia
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

Managing Momentum, Navigating Opportunity.

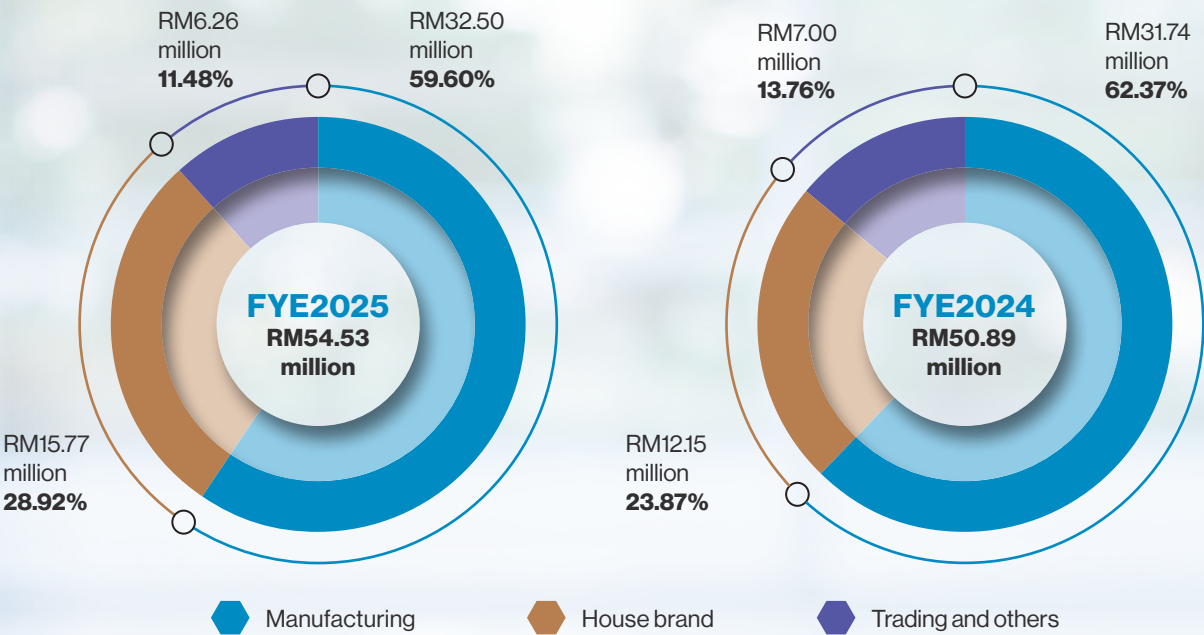
MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Managing Momentum, Navigating Opportunity

Financial Performance

	FYE 2025 RM'000	FYE 2024 RM'000
Revenue	54,526	50,886
Gross Profit ("GP")	22,288	21,718
Profit before tax ("PBT")	6,561	7,941
Taxation	(1,982)	(2,441)
Profit after tax ("PAT")	4,579	5,500
Adjusted PBT	7,925	8,695
Adjusted PAT	5,943	6,254

Revenue Segmentation



For the FYE 2025, the Group recorded revenue of RM54.53 million, reflecting a 7.15% increase compared to RM50.89 million achieved in the previous FYE 2024. This performance underscores the Group's ability to navigate evolving industry and economic dynamics while maintaining a stable revenue base across its business segments

Revenue from manufacturing services of fortified food and beverages ("F&B") and dietary supplements for third-party brand owners contributed RM32.50 million, accounting for 59.60% of total revenue in FYE 2025, versus RM31.74 million or 62.37% in FYE 2024. The performance in this segment was driven by higher production orders and expansion in manufacturing capacity utilisation, following increased engagement with key client accounts.

House brand products generated RM15.77 million, representing 28.92% of total revenue in FYE 2025, increased from RM12.15 million or 23.87% in FYE 2024. This was supported by stronger brand momentum across our proprietary labels, including Bonlife, GoHerb, Zen Night, EZ:Nitez and Beyoute, alongside heightened marketing activities post-IPO which expanded our brand visibility and consumer outreach.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

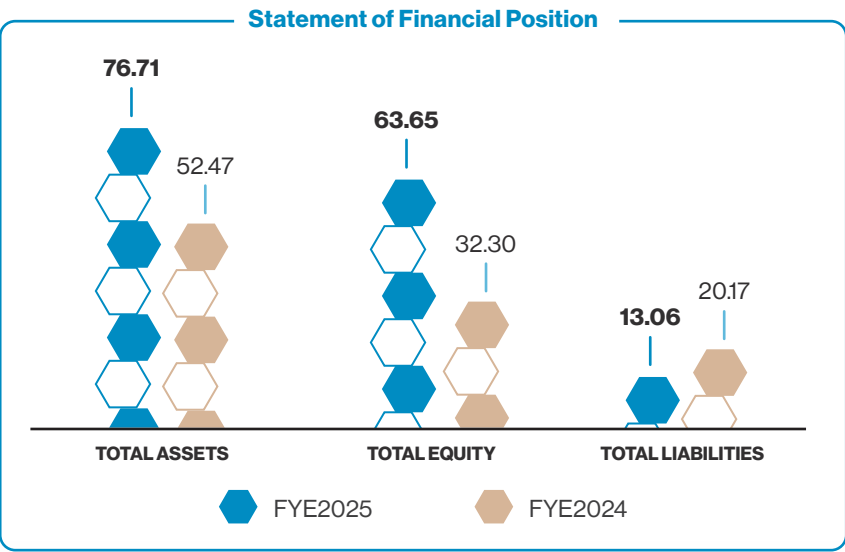
Managing Momentum, Navigating Opportunity

Revenue from trading and other supporting activities, including milk powder trading and ancillary services, totalled RM6.26 million or 11.48% of total revenue in FYE 2025, compared to RM7.00 million or 13.76% in the previous year. The slightly decrease was mainly attributable to lower milk powder trading volume during the year. These activities continue to complement our core manufacturing operations and provide additional stability to the Group's revenue mix.

Malaysia remained the Group's core revenue contributor by geographical location in FYE 2025, accounting for RM49.59 million or 90.94% of total revenue, compared to RM46.22 million or 90.82% in FYE 2024. Meanwhile, export revenue reached RM4.94 million or 9.06%, up from RM4.67 million or 9.18% a year earlier. This reflects the Group's continued commitment to strengthen its regional footprint, with exports delivered to key markets such as Hong Kong, Thailand and US underscoring the Group's growing international relevance in the fortified F&B and dietary supplements space.

The Group delivered a gross profit of RM22.29 million, translating into a gross profit margin of 40.88%, compared to RM21.72 million and 42.68% in FYE 2024. PBT amounted to RM6.56 million, representing a 17.38% decrease from RM7.94 million in the prior year due to higher one-off expenses related to the IPO exercise incurred in this financial year and higher corporate expenses. PAT came in at RM4.58 million, compared to RM5.50 million in FYE 2024. After excluding one-off listing-related expenses of RM1.36 million, adjusted PBT for FYE 2025 was RM7.93 million while the adjusted PAT for FYE 2025 was RM5.94 million, reflecting the Group's resilient operational fundamentals amidst a challenging business environment.

Review of Balance Sheet and Liquidity: A Strengthened Balance Sheet for Sustainable Growth



As at 31 May 2025, the Group maintained a healthy financial position following our listing on the ACE Market on 29 October 2024. We managed to raise total gross proceeds of RM28.80 million from our public issue, injecting fresh capital that empowered us to accelerate growth, reduce financial obligations and enhance shareholder value.

“MALAYSIA REMAINED THE GROUP'S CORE REVENUE CONTRIBUTOR BY GEOGRAPHICAL LOCATION IN FYE 2025, ACCOUNTING FOR RM49.59 MILLION OR 90.94% OF TOTAL REVENUE, COMPARED TO RM46.22 MILLION OR 90.82% IN FYE 2024.”

“THIS REFLECTS THE GROUP'S CONTINUED COMMITMENT TO STRENGTHEN ITS REGIONAL FOOTPRINT, WITH EXPORTS DELIVERED TO KEY MARKETS SUCH AS HONG KONG, THAILAND AND US UNDERSCORING THE GROUP'S GROWING INTERNATIONAL RELEVANCE IN THE FORTIFIED F&B AND DIETARY SUPPLEMENTS SPACE.”

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Managing Momentum, Navigating Opportunity

Total assets expanded to RM76.71 million as at the end of FYE 2025, compared to RM52.47 million in the previous financial year. This growth reflects the Group's strategic capital expenditure, primarily for the development of the New Serendah Factory and ongoing investments into research and innovation. Notably, the increase in assets was also supported by a healthier cash position, signalling improved liquidity and operational readiness.

Shareholders' equity rose substantially to RM63.65 million, up from RM32.30 million a year earlier. This was driven not only by our capital raising exercise but also complemented by positive earnings contribution during the year reinforcing the Group's ability to convert strategic execution into financial returns. Our balance sheet now tells a stronger story: one of growing confidence, and long-term resilience.

Borrowings declined significantly to RM6.78 million from RM13.96 million in FYE 2024, following the repayment of bank loans totalling RM10.00 million using IPO proceeds earmarked for debt reduction. This deliberate move to deleverage reflects our disciplined approach to capital management. With reduced gearing and lower interest obligations, the Group is now better equipped with both financially and strategically to pursue future investments with agility and strength. For the avoidance of doubt, OB Holdings has yet to utilise the remaining RM4.90 million from the IPO proceeds which has been earmarked for the repayment of bank borrowings.

Review of Cash Flow and Liquidity - Navigating Cash Flows with Purpose

Net Cash from/ (used in)	FYE 2025 RM'000	FYE 2024 RM'000
Operating activities	6,492	5,339
Investing activities	(6,684)	(5,253)
Financing activities	18,661	(1,128)
Net changes in cash and cash equivalent	18,469	(1,043)
Cash and cash equivalents at beginning of financial year	3,414	4,457
Cash and cash equivalents at end of financial year	21,883	3,414

For the FYE 2025, the Group demonstrated prudent capital management, with cash flows reflecting the Group's operations and investment undertaken to support ongoing growth initiatives

Net cash generated from operating activities stood at RM6.49 million, arising from operating profit before working capital adjustments, alongside prudent management of trade receivables and inventory levels. This operational cash flow provided a steady internal funding base to support day-to-day requirements.

Net cash used in investing activities amounted to RM6.68 million, largely attributed to capital expenditure for the construction of the new Serendah Factory and the purchase of additional equipment aimed at enhancing automation, capacity and efficiency.

Net cash inflow from financing activities totalled RM18.66 million, primarily comprising IPO proceeds of RM28.80 million, which were utilised in accordance with the Group's outlined use of proceeds. These included the repayment of borrowings, acquisition of new machines, product development expenditure, marketing and advertising expenditure and general working capital needs.

“THIS GROWTH REFLECTS THE GROUP'S STRATEGIC CAPITAL EXPENDITURE, PRIMARILY FOR THE DEVELOPMENT OF THE NEW SERENDAH FACTORY AND ONGOING INVESTMENTS INTO RESEARCH AND INNOVATION.”

“WITH REDUCED GEARING AND LOWER INTEREST OBLIGATIONS, OUR GROUP IS NOW BETTER EQUIPPED WITH BOTH FINANCIALLY AND STRATEGICALLY TO PURSUE FUTURE INVESTMENTS WITH AGILITY AND STRENGTH.”

As a result of these movements, the Group cash and bank balances rose to RM21.88 million as at 31 May 2025, up from RM3.41 million in FYE 2024. This uplift in liquidity reinforces the Group's strengthened financial flexibility post-IPO, enabling us to confidently execute strategic plans while maintaining resilience against evolving market conditions.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Managing Momentum, Navigating Opportunity

Dividend - Delivering Value to Shareholders

In FYE 2025, OB Holdings declared interim dividends of 0.12 sen per ordinary share on 27 January 2025 and 30 July 2025, respectively, amounting to a total distribution of RM0.94 million to shareholders. This reflects the Board's commitment to delivering value to shareholders while maintaining financial prudence.

While the Group does not currently have a formal dividend policy in place, the Board of Directors remains dedicated to maintaining a sustainable approach to shareholder return, guided by a balanced capital allocation philosophy, that emphasises long-term strategic reinvestment and consistent shareholder distributions.

Moving forward, any declaration of dividends will be assessed on a case-by-case basis, taking into account the Company financial performance, operational requirements, investment pipeline, and prevailing market conditions. The Group remains committed to sustainable shareholder returns, aligned with our vision for long-term value creation.

Outlook for FYE 2026 - Poised for Progress Amidst Uncertainty

Looking ahead to the FYE 2026, the Group anticipates navigating a complex operating environment shaped by heightened geopolitical tensions, ongoing conflicts and escalating trade wars that have dampened global growth prospects. These challenges have introduced significant volatility into global financial markets, casting a shadow of uncertainty over international trade and investment flows as the world economy adjusts to evolving political and economic dynamics.

Domestically, Malaysia's economy began 2025 on a positive note, with the country recording gross domestic



product ("GDP") growth of 4.4% in the first quarter. This performance was buoyed by a robust 5.0% expansion in private consumption, which continues to underpin Malaysia's economic resilience. Improvements in the labour market, with the unemployment rate falling to 3.1%, alongside benign inflation at 1.5% have supported household spending and overall economic activity.¹

Nonetheless, the International Monetary Fund has revised Malaysia's GDP forecast for 2025 downward to 4.1%, falling short of the government's earlier target range of 4.5% to 5.5%.² This revision reflects growing concerns that the current momentum may not be sustained, with the outlook for 2026 remaining uncertain as further adjustments to economic forecasts could occur ahead of Budget 2026.³

Meanwhile, the Monetary Policy Committee of Bank Negara Malaysia has chosen to maintain the Overnight Policy Rate at 3%, signalling a commitment to monetary stability that should help support domestic demand in the near term. Nonetheless, risks stemming

from escalating trade frictions and geopolitical uncertainties could weigh on Malaysia's economic momentum, posing challenges for consumer confidence and spending patterns.⁴

Despite these macroeconomic headwinds, the Group remains cautiously optimistic about its prospects for FYE 2026. The Group is encouraged by structural trends that continue to drive demand for F&B and dietary supplements. Growing health awareness among consumers, spurred by rising rates of non-communicable diseases ("NCDs") and infectious illnesses, has increased the appeal of functional nutrition products. Coupled with improving disposable incomes, expanding urbanisation, and an ageing population, these factors are expected to sustain demand growth for fortified F&B and dietary supplements both locally and regionally. Moreover, the widespread adoption of social media marketing is enhancing consumer awareness of the benefits of fortified products, strengthening the connection between brands and increasingly health-conscious consumers.⁵

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Managing Momentum, Navigating Opportunity

Global industry data also supports a positive long-term trajectory, with the functional food ingredients market forecast to grow by USD53.14 billion between 2024 and 2028 at a compound annual growth rate of approximately 7.38%. This presents significant opportunities for the Group to deepen its presence in the growing wellness and nutrition space.⁶

Reinforcing this positive outlook, the Group's wholly-owned subsidiary, Orient Biotech Sdn. Bhd., signed two Letters of Intent ("LOIs") on 2 May 2025 with CSPC Innovation Pharmaceutical Co., Ltd. and CSPC Weisheng Pharmaceutical (Shijiazhuang) Co., Ltd., both subsidiaries of CSPC Pharmaceutical Group Limited. These LOIs signify a shared intention to explore strategic collaborations that leverage each party's technological strengths to enhance product competitiveness, foster innovation and expand applications within the functional food and supplement sectors

across regional markets. Should these initiatives progress successfully, they are expected to augment the Group's innovation pipeline and market reach.

The Group's ongoing construction of the New Serendah Factory remains on track for completion and commencement of operations in FYE 2026. This new facility is set to enhance the Group's manufacturing capacity, support the Group's in-house research and development capabilities and enable it to capitalise on the anticipated growth in both domestic and export markets.

Considering these factors, the Board remains cautiously optimistic about the Group's prospects in FYE 2026. While acknowledging the external uncertainties and potential headwinds, the Group's solid financial foundation, strategic initiatives such as the LOIs, and favourable industry dynamics position the Group to pursue sustainable growth and create long-term value for shareholders.



“THE GROUP'S WHOLLY-OWNED SUBSIDIARY, ORIENT BIOTECH SDN. BHD., SIGNED TWO LETTERS OF INTENT ("LOIs") ON 2 MAY 2025 WITH CSPC INNOVATION PHARMACEUTICAL CO., LTD. AND CSPC WEISHENG PHARMACEUTICAL (SHIJIAZHANG) CO., LTD., SUBSIDIARIES OF CSPC PHARMACEUTICAL GROUP LIMITED.

“THIS NEW FACILITY IS SET TO ENHANCE OUR GROUP'S MANUFACTURING CAPACITY, SUPPORT THE GROUP'S IN-HOUSE RESEARCH AND DEVELOPMENT CAPABILITIES AND ENABLE IT TO CAPITALISE ON THE ANTICIPATED GROWTH IN BOTH DOMESTIC AND EXPORT MARKETS.

¹ <https://www.mof.gov.my/portal/en/news/press-release/4-4-gdp-growth-in-first-quarter-2025-fortifies-malaysias-fundamentals-in-the-face-of-global-uncertainties>

² <https://theedgemaalaysia.com/node/752596>

³ <https://www.nst.com.my/news/nation/2025/05/1211807/malaysia-revise-gdp-forecast-ahead-2026-budget>

⁴ <https://www.bnm.gov.my/-/monetary-policy-statement-08052025>

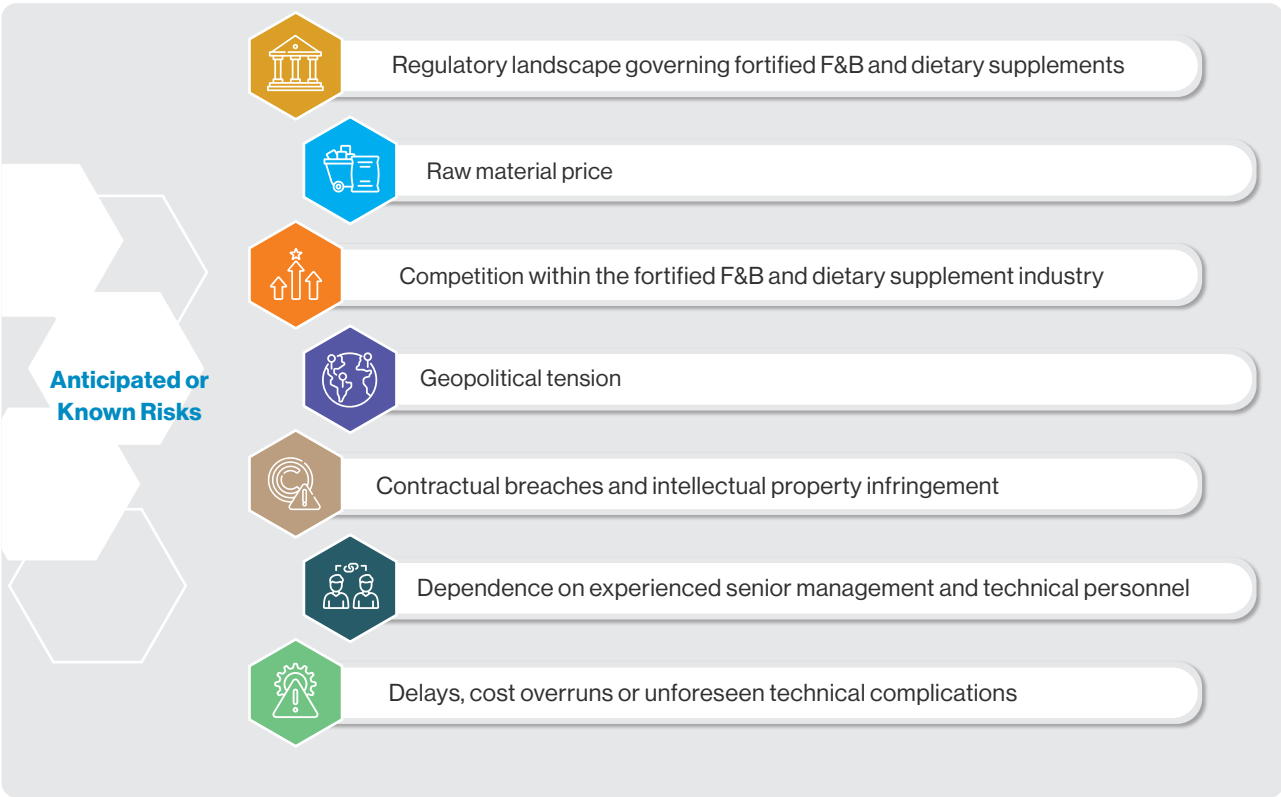
⁵ Prospectus, OB Holdings Berhad, IMR

⁶ <https://themalaysianreserve.com/2024/05/21/functional-food-ingredients-market-size-is-set-to-grow-by-usd-53-14-bn-from-2024-2028-increased-demand-for-functional-food-ingredients-from-probiotics-segment-to-boost-the-market-growth-technavio/>

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Managing Momentum, Navigating Opportunity

Staying Ahead of Strategic Risks - Anticipated or Known Risks



As the Group advances its growth strategy, the Group remains attentive to several key risks that could affect its operational and financial performance.

One notable risk involves the evolving regulatory landscape governing fortified F&B and dietary supplements, both in Malaysia and in the Group's export markets. Changes in food safety standards, labelling rules or restrictions on health-related claims could raise compliance costs, delay new product launches or affect the commercial viability of certain formulations particularly as the Group seeks to expand regionally.

Raw material price volatility also poses a significant risk to the Group's profitability. Unexpected increases in the costs of key inputs such as milk powder and functional ingredients could erode margins if the Group is unable to pass these cost pressures on to customers or secure alternative supply arrangements promptly.

Competition within the fortified F&B and dietary supplement industry remains intense, with both local and international players competing on pricing, innovation and brand positioning. Heightened competitive pressures could weigh on OB Holdings market share, limit pricing flexibility or necessitate higher marketing and promotional expenditures to sustain customer loyalty.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Managing Momentum, Navigating Opportunity

Geopolitical tensions and trade disputes are additional external factors that could disrupt the Group's supply chains, affect export sales and introduce foreign exchange volatility that adversely impacts production costs and revenue realisation. Recent examples of tariff escalations among major economies highlight the potential for abrupt shifts in trade conditions that could undermine growth plans.

The Group is also mindful of litigation risks, as demonstrated by the ongoing dispute with Nature One Dairy (Hong Kong) Limited ("NOD") involving allegations of contractual breaches and intellectual property infringement. While the Board intends to contest the claims vigorously, an adverse legal outcome could result in financial liabilities or reputational damage that may affect future business prospects.

Another key risk relates to the Group's dependence on experienced senior management and technical personnel. The loss of critical staff or challenges in attracting and retaining qualified talent could disrupt daily operations, slow research and development activities or hinder the timely execution of strategic initiatives including product innovation and capacity expansion.

Additionally, the construction of the New Serendah Factory carries inherent risks related to delays, cost overruns or unforeseen technical complications. Any setbacks in completing or commissioning the new facility could limit the Group ability to expand manufacturing capacity as planned, thereby deferring anticipated revenue contributions from new product lines.





SUSTAINABILITY STATEMENT

INTRODUCTION

OB Holdings Berhad is an investment holding company in Malaysia with a strong foothold in the fortified F&B and dietary supplement sectors. Our work spans the entire value chain, from product consultation and research to development, packaging, and distribution documentation for both domestic and export markets. These activities are carried out by our in-house and product development teams, allowing us to maintain quality standards and consistency throughout the process.



ABOUT THIS STATEMENT

OB Holdings Berhad ("OB Holdings" or "the Company") and its subsidiaries ("the Group") is pleased to present the Group's inaugural Sustainability Statement ("the Statement") for the financial year ended 31 May 2025 ("FYE 2025").

This Statement reflects the Group's commitment to embedding sustainable practices across its operations and details our efforts, progress and aspirations in integrating environmental, social and governance ("ESG") considerations into our business strategy. It covers the business operations and activities of the Group, with an emphasis on the most significant matters that influence our long-term success and the interests of our stakeholders.

As a newly listed company on ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Group is committed to pursuing sustainable growth, protecting the environment, creating a positive social impact and upholding strong governance in every facet of our operations.

SUSTAINABILITY STATEMENT (CONT'D)



REPORTING FRAMEWORK

This Statement is prepared in accordance with Bursa Securities' ACE Market Listing Requirements ("AMLR"), with the guidance of Bursa Securities' Sustainability Reporting Guide (3rd Edition), as well as the Global Reporting Initiatives (GRI) standards.



REPORTING PERIOD

The coverage of the Group's sustainability performance in this Statement follows an annual reporting cycle, aligned with the financial year, unless otherwise specified.



REPORTING SCOPE

The scope of this Statement covers the operations of the Group in Malaysia, encompassing the Group's three core business segments:



Provision of Manufacturing Services - manufacturing fortified food & beverage ("F&B") and dietary supplements for third-party brand owners



House Brands Products - manufacturing, sales, and marketing of fortified F&B and dietary supplements under its house brands

Bonlife



GoHerb

ZENYOUTÉ

ZEN

MELLAMI



Trading & Others - activities such as contract packing, trading of milk powder, laboratory tests, freight services, packaging materials, pallets and more

BEYOUTE ZEN NIGHT Zenliv EZ: Nitez Sleepin' Beauté



DATA INTEGRITY

The Group is committed to ensuring the accuracy and reliability of the information presented in this Statement. All data and disclosures have been compiled from internal records to ensure completeness and consistency. Where estimates or assumptions are applied, these are based on the best available information at the time of reporting.



FORWARD-LOOKING STATEMENT

This Statement may contain forward-looking statements relating to the Group's plans, strategies, initiatives and performance based on current projections and are subject to known or unknown risks, uncertainties and other factors that may cause actual results to differ. OB Holdings is not obligated to update these statements in light of new information, future events or otherwise, unless required by applicable laws and regulations.



FEEDBACK & COMMENTS

As part of our ongoing effort to improve our sustainability performance and reporting standards, we welcome feedback and comments from stakeholders. Comments and feedback can be directed to sales@orient.com.my.

SUSTAINABILITY STATEMENT (CONT'D)

OUR APPROACH TO SUSTAINABILITY

The Group, we aim to make a positive impact through our operations. Other than delivering high quality products, we also care for the environment and the well-being of communities in areas of our operations, at the same time, maintaining strong governance, as reflected in our value chain. This ensures our growth benefits our stakeholders and the wider community.

Sustainability Governance

The Group acknowledges that good governance is the foundation of sustainable growth. It keeps us accountable and helps us act with integrity. We adhere to the Malaysian Code of Corporate Governance ("MCCG") and all applicable laws and regulations in our industry. We value openness, fair decision-making and ethical practices as we continue to improve our ESG performance and sustainability practices.

Governance Structure



The Board of Directors ("Board") is responsible for the Group's sustainability direction. They ensure that sustainability is integrated into our operations, decision-making processes, as well as risk management.



The Sustainability Working Team reports to the Board with progress, challenges and updates. A Sustainability Steering Committee, led by the Managing Director and representatives from key business units, provides guidance and coordination across the Group.



While the Sustainability Working Groups implement ESG initiatives within their respective focus area.

We do not have a sustainability policy in place yet, we will be establishing one in future reporting cycle to guide our effort.

Escalation of Sustainability Matters

The Group manages sustainability matters through a clear governance framework and ensures that issues are promptly addressed and aligned across all levels of the organisation, as outlined below:

Executive / Board Level

The Managing Director reviews updates and escalates significant matters to the Board. The Board deliberates, makes strategic decisions, approves policies and integrates sustainability into business strategy and risk management.

Sustainability Working Team

Consolidates updates from Working Groups, tracks progress and highlights material issues. Prepares recommendations for the Managing Director and the Board.

Operational Level

Departments and Working Groups (Health & Safety, Energy, Waste, Diversity, Anti-Corruption) identify, implement and monitor ESG initiatives.

Board Oversight and Reporting

The Board is regularly updated on sustainability matters. Aside from regular review, they are also briefed on new regulations and stakeholders' concerns, ensuring issues and concerns are properly addressed.

Embedding Sustainability into Strategy

Sustainability priorities forms part of the Group's strategy and planning. The Board reviews material ESG matters annually to ensure resources are directed to the areas that matter most. Climate, social and governance risks are included in the enterprise risk management framework to guide investment, operations and growth decisions. The Board also approves policies, targets and action plans to ensure practices remain aligned with regulations and industry standards.

SUSTAINABILITY STATEMENT (CONT'D)

POLICIES AND COMPLIANCE

The Group has put in place a range of policies to guide its operations. These policies reflect our commitment to ethical conduct, good governance and product quality. Through these policies, we ensure that high standards are consistently applied across the business.

Below are the Group's policies:

**Governance**

- Anti-Bribery and Corruption Policy:**
Supported by regular training and awareness programmes for employees.
- Whistle Blowing Policy:**
Provides a confidential channel for employees and stakeholders to raise concerns.
- Compliance reviews:**
Carried out by the Legal Manager and overseen by the Audit and Risk Management Committee.
- Remuneration Policy:**
Ensures fair and transparent compensation practices.
- Board Charter:**
Outlines the roles, responsibilities, and expected conduct of directors.
- Directors' Fit and Proper Policy:**
Maintains integrity and professionalism at the Board level.
- Terms of Reference:**
Applies to the Audit and Risk Management, Nomination and Remuneration Committees.

**Product Quality and Safety**

- HALAL Certification:**
With audits and inspections carried out by JAKIM or recognised authorities.
- Hazard Analysis and Critical Control Points ("HACCP") Certification :**
Supported by internal and external audits focusing on food safety and preventive controls.
- Good Manufacturing Practices ("GMP") Certification**
Covers manufacturing practices, hygiene standards and quality control processes.
- National Pharmaceutical Regulatory ("NPRA") Product Registration :**
Ensures licensed products under the Ministry of Health Malaysia meet safety and efficacy requirements.
- US Food and Drug Administration ("FDA") Registration :**
Enables exports to the United States by meeting stringent requirements.
- International Organisation for Standardisation ("ISO") 9001 Certification :**
Confirms adherence to international quality management systems.
- Product testing and monitoring :**
Conducted by the Research and Development ("R&D") and Quality Assurance teams on a continuous basis to safeguard health and safety. safeguard health and safety.

SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDER ENGAGEMENT

The Group regularly engages with stakeholders who are influenced or affected by its business activities. These stakeholders are identified based on their influence, impact or interest in the Group.

The table below outlines how the Group engages with its stakeholders to ensure that sustainability is reflected in its strategy and operations.

Stakeholders	Focus Area	Method of Engagement
 Employees	Workforce development, well-being, innovation, and sustainability practices	Training programmes, townhalls, performance reviews, health & wellness initiatives
 Customers	Product safety, quality, nutrition, and trust	Customer feedback, surveys, sales support, product certifications (GMP, HACCP, ISO, HALAL, FDA, NPRA)
 Regulators & Government Agencies	Compliance with health, safety, environmental, and reporting requirements	Compliance audits, reporting submissions, inspections, dialogue sessions
 Suppliers & Business Partners	Sustainable and ethical supply chain practices	Supplier assessments, contractual compliance, audits, collaborative initiatives
 Shareholders & Investors	Responsible governance, transparency, and returns on investment	Annual General Meetings ("AGM"), annual reports, sustainability disclosures, investor briefings
 Communities & Society	Social responsibility, community support, and public health awareness	Community programmes, donations, volunteering, partnerships with NGOs/ local organisations
 Industry Associations & Certification Bodies	Standards compliance, credibility, and best practice sharing	Memberships, industry dialogues, certification audits, best practice sharing

SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT

Our Group adopts a structured approach to identifying and prioritising sustainability matters most to our business and stakeholders, enabling the Group to focus on ESG topics with the greatest influence on their operations and long-term value creation.

To ensure that these material issues align with the Group's strategy and risk management practices, ongoing engagement and internal reviews were regularly conducted.

In addition, periodical materiality assessments were also conducted to map stakeholder expectations against business priorities, focusing on key ESG areas such as climate impact, product safety, labour practices and integrity.

Our materiality assessment process consists of four stages, as follows:



SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS

Based on our materiality assessment, the Group have identified key sustainability matters within the ESG pillars that reflect our priorities and those of our stakeholders.



We will continue to refine our materiality assessment in future reporting cycles to ensure that sustainability priorities align with business objectives and the expectations of our stakeholders.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC PILLAR

Our Group contributes to the nation’s economic growth through local sourcing, inclusive procurement and supplier development. We actively engage Bumiputera-owned businesses and SMEs, partnering with local manufacturers to expand production capacity and strengthen supply chain resilience, thereby creating local business opportunities.

The Group also drives employment opportunities and workforce development through its operations. Through its internationally recognised certifications and investment in R&D, the Group enhances Malaysia’s healthcare and wellness sector, at the same time, boosts domestic and export market opportunities. These initiatives enable the Group not only to create value for its stakeholders but also to support the growth of national socio-economic development and that of the community.

Local Procurement and Supplier Development

We source raw materials and packaging from local suppliers whenever possible, thereby helping strengthen Malaysia's supply chain resilience. As part of inclusive growth, we engage Bumiputera-owned businesses, SMEs and partners with local manufacturers to expand domestic production capacity and generate employment opportunities.



We source raw materials and packaging from local suppliers whenever possible



Helping strengthen Malaysia’s supply chain resilience

Employment and Skills Development

The Group creates direct employment and training opportunities through its new Selayang and Serendah operations, where employees receive training in GMP, ISO 9001, HACCP, Halal, FDA and NPRA, among others.

SUSTAINABILITY STATEMENT (CONT'D)

Product and Service Quality

We are committed to strengthening brand credibility and customer trust by upholding high standards of product quality and manufacturing excellence. Our products comply with internationally recognised certifications, including HALAL, HACCP, GMP, NPRA, ISO 9001 and FDA. These certifications are supported by regular audits and inspections by both internal teams and external authorities.



HALAL Certification
Issued by JAKIM or recognised authorities, with regular audits to confirm compliance.



HACCP
Requires internal and external audits, focusing on food safety and preventive controls.



GMP
Covers hygiene, equipment calibration, record-keeping and quality systems, with both internal checks and external audits.



NPRA Product Registration
Licensed products carry a MAL number, confirming NPRA's review of safety, quality and efficacy.



FDA Registration
Compliance with U.S. FDA requirements, enabling product exports to the United States.



ISO 9001 Certification
Confirms adherence to international quality management systems.

Our R&D and Quality Assurance teams conduct continuous product testing and monitoring to ensure the highest standards of health, safety and quality.

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL PILLAR

Under this pillar, we focus on the efficient use of resources, reducing waste and minimising environmental impact, in compliance with regulatory standards. We have also started to assess our climate-related risks, strengthen our governance and risk management practices, and embed sustainability into our operations. Furthermore, we track our energy, water, and waste through internal monitoring at our factories, reinforced by regular inspections and audits.

Emissions Management

Generally, our operations have a relatively low emissions profile as we primarily rely on clean energy sources. Our energy is supplied by Tenaga Nasional Berhad (TNB), with solar energy used to power machinery, eliminating the need for boilers and lowering our direct (Scope 1) emissions. To further improve future reporting, we intend to engage the services of an energy consultant to measure, monitor and validate our Scope 1 and Scope 2 emissions, which will enable us to set reduction targets and track progress.

Energy Management

The Group recognises that efficient use of energy is essential for reducing costs, lowering emissions and supporting Malaysia's move towards a low-carbon economy. We continuously monitor our consumption at our headquarters, factories, and sales offices to ensure efficient usage. Regular maintenance of equipment and machinery also helps to optimise performance and reduce wastage of energy. In addition, we have adopted measures for efficient energy use, including the installation of LED lighting across our facilities and the use of energy-efficient air-conditioning systems and timers. Furthermore, we encourage our employees to adopt responsible consumption through awareness programmes.

The Group's new Serendah facility set a benchmark for future-ready operations, incorporating green building features, solar energy adoption and advanced efficiency measures, allowing the Group to reduce its carbon footprint, strengthen long-term resilience, create value for stakeholders and boost its competitiveness in the industry.

For the year under review, the Group recorded a total energy consumption of 751,439kWh, across all its facilities.

“

OUR ENERGY IS SUPPLIED BY TENAGA NASIONAL BERHAD (TNB), WITH SOLAR ENERGY USED TO POWER MACHINERY, ELIMINATING THE NEED FOR BOILERS AND LOWERING OUR DIRECT (SCOPE 1) EMISSIONS.

”

“

SERENDAH FACILITY SET A BENCHMARK FOR FUTURE-READY OPERATIONS, INCORPORATING GREEN BUILDING FEATURES, SOLAR ENERGY ADOPTION AND ADVANCED EFFICIENCY MEASURES, ALLOWING THE GROUP TO REDUCE ITS CARBON FOOTPRINT, STRENGTHEN LONG-TERM RESILIENCE, CREATE VALUE FOR STAKEHOLDERS AND BOOST ITS COMPETITIVENESS IN THE INDUSTRY.

”

Water Management

Water is essential to our operations, particularly in maintaining product quality, safety and hygiene. Therefore, the Group manages its use carefully to strike a balance between operational efficiency and environmental responsibility.

The Group obtains its water sources from Air Selangor, which is mainly used for production-related activities, such as cleaning equipment and sanitation, ingredient hydration in the formulation of food-grade and botanical products, as well as general office and employee use. All incoming water is filtered before use to meet GMP, HACCP and Halal standards.

Due to the nature of our raw materials, the wastewater produced is minimal, non-hazardous and discharged through municipal systems in accordance with regulatory requirements, making a dedicated treatment facility unnecessary.

Moving forward, the Group intends to further enhance water efficiency by optimising cleaning processes, exploring opportunities to reuse water, promoting the recycling of greywater systems for non-production activities, and raising awareness of responsible water use among employees.

Our total water consumption in FYE2025, amounted to 9,374m³.

“

ALL INCOMING WATER IS FILTERED BEFORE USE TO MEET GMP, HACCP AND HALAL.

”

Waste Management

The Group takes a responsible approach to managing waste, minimising environmental impact and supporting a circular economy. Given that our production relies on food-grade and botanical raw materials, hazardous wastewater or scheduled waste needing special treatment is not generated. Our primary waste generally consists of general solid waste, packaging materials such as cartons, plastics and wrapping, along with expired or rejected inventory that does not meet quality standards.

To manage this effectively, our Group practices the segregation of recyclables from general waste, working with licensed third-party collectors for recycling and disposal. Recycling is given priority to reduce landfill use, while expired or recalled products are disposed of securely in accordance with regulatory requirements to protect both consumers and the environment.

In the near term, we are also exploring circular packing solutions to reduce reliance on single-use plastics and improve recyclability. In this regard, we are also rolling out employee awareness programmes to strengthen waste minimisation practices within our operational and office settings.

“

OUR GROUP PRACTICES THE SEGREGATION OF RECYCLABLES FROM GENERAL WASTE, WORKING WITH LICENSED THIRD-PARTY COLLECTORS FOR RECYCLING AND DISPOSAL.

”

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL PILLAR

Our social pillar is about building a workplace where people feel valued and safe and extending the same care to the communities around us. We create meaningful employment, support volunteer efforts, and introduce initiatives that strengthen social well-being for the long-term.

Workplace Practices and Well-being

Our , employees are treated with fairness and respect in line with the Employment Act 1955. Our Human Resources policies and employee handbook act as a reference, outlining both the rights and responsibilities of our people. We also place importance on growth by providing regular training and development opportunities. To safeguard well-being, the Health and Safety Working Group regularly carries out inspections, drills and risk assessments, making sure the workplace remains safe. These measures help create a safe, engaging and inclusive workplace.

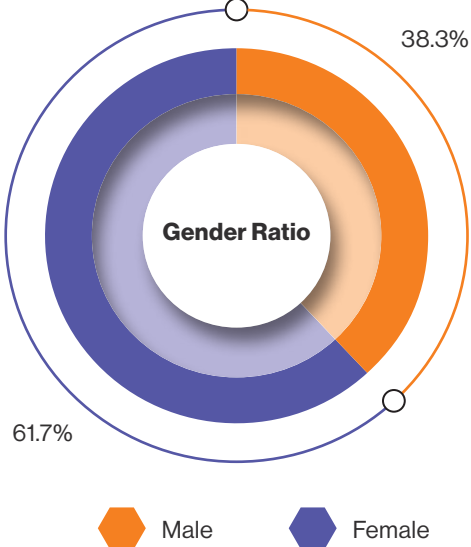
Diversity and Inclusive Culture

We aim to build a workplace that is both diverse and inclusive, where all employees have equal rights and opportunities. By practising fair recruitment, the Group benefits from varied perspectives that encourage fresh thinking. We also invest in continuous learning and development, providing employees with opportunities to grow and contribute to a workplace that values engagement and performance. In doing so, we foster an environment that supports collaboration, respect, and long-term growth.

Workforce Diversity

In FYE 2025, the Group had a total of 149 employees across its operations. Below is the breakdown:

No.	Company	Total Staff
1	Orient Biotech Sdn. Bhd. ("OBSB")	85
2	Orient Laboratories Sdn. Bhd. ("OLSB")	46
3	Bonlife (M) Sdn. Bhd. ("Bonlife")	18
Total		149

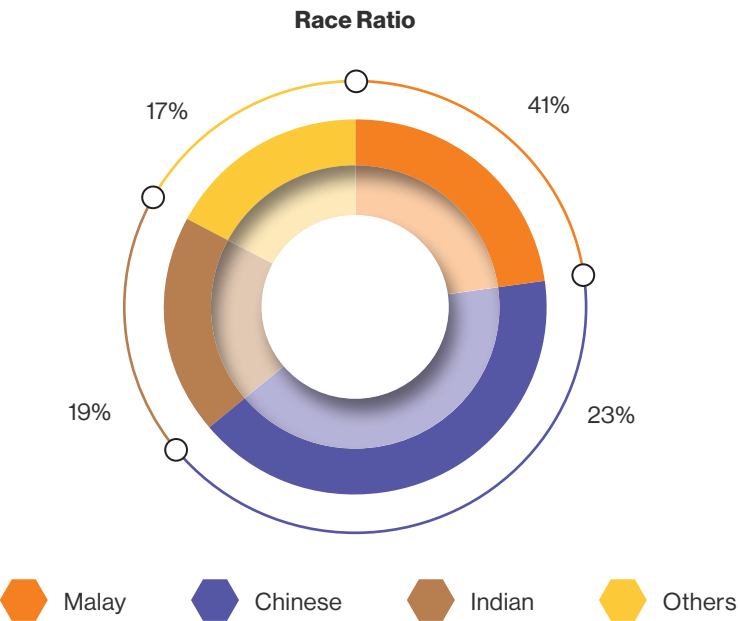


SUSTAINABILITY STATEMENT (CONT'D)

Workforce by Race

The Group values a workforce from diverse racial backgrounds. The breakdown below reflects the diversity across our operations:

Company	Gender		Race				Total
	Male	Female	Malay	Chinese	Indian	Others	
OBSB	35	50	17	30	20	18	85
OLSB	17	29	14	16	8	8	46
Bonlife	5	13	2	15	1	0	18
Total	57	92	33	61	29	26	
149			149				



Localised Hiring Practices

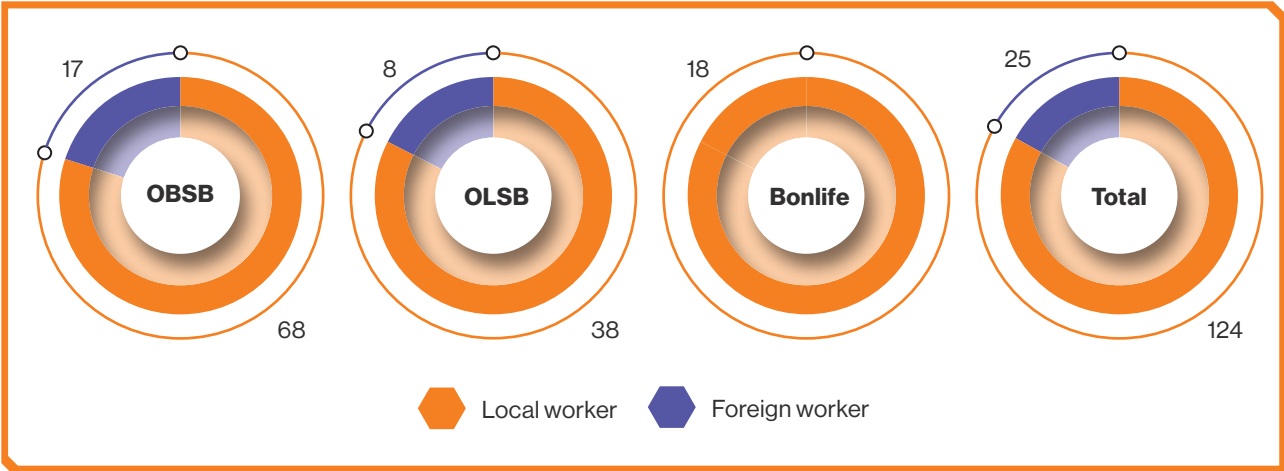
In support of local employment and business growth, the Group prioritises the recruitment of talent from surrounding communities. This ensures that the benefits of our operations are shared locally and helps build a workforce that is closely connected to the areas where we operate. In turn, we create opportunities that strengthen community ties and contribute to the growth of local economies.

SUSTAINABILITY STATEMENT (CONT'D)

Workforce by Nationality

The majority of our employees are Malaysian. There were only 25 foreign employees recorded for the year under review. The table below is the breakdown:

No	Company	Total Staff	Foreign Worker	Local Worker
1	OBSB	85	17	68
2	OLSB	46	8	38
3	Bonlife	18	0	18
Total		149	25	124



Occupational Health and Safety (OSH)

Occupational safety and health (“OSH”) remain a top priority in protecting our people and ensuring the safety of our facilities. We comply fully with the Occupational Safety and Health Act (“OSHA”) and other related regulations, which guide the installation, operations and inspection of machinery and equipment.

All machinery and equipment are maintained with valid certifications of fitness and renewal is carried out in line with current regulations. By keeping to these requirements, we create a secure workplace and ensure the continuity of our operations.

Employee well-being is also promoted through monthly initiatives such as the distribution of fresh fruits to encourage healthier living, in addition, staff enjoy up to 20% discounts on Bonlife products, making health supplements accessible. Free monthly check-ups, including glucose and blood pressure monitoring, are provided to support early detection and prevention of health issues.

In addition to physical health, regular safety training, drills, and awareness campaigns are organised, supported by ongoing communication through briefings and internal notices. Employees participation in wellness and sustainability activities helps build a culture where safety and well-being are part of daily life at work.

The Group recorded zero workplace incidents in FYE2025, reflecting the effectiveness of these measures.

“

EMPLOYEE WELL-BEING IS ALSO PROMOTED THROUGH MONTHLY INITIATIVES SUCH AS THE DISTRIBUTION OF FRESH FRUITS TO ENCOURAGE HEALTHIER LIVING, IN ADDITION, STAFF ENJOY UP TO 20% DISCOUNTS ON BONLIFE PRODUCTS, MAKING HEALTH SUPPLEMENTS ACCESSIBLE.

”

SUSTAINABILITY STATEMENT (CONT'D)

Developing our People

The management of our workforce is guided by the Code of Ethics and Conduct, labour laws and human rights requirements. Discrimination, harassment and unethical behaviours are not tolerated and accountability is reinforced through regular reviews, feedback sessions and audits, with outcomes reported to management and stakeholders.

We continue to invest in training development, giving employees the knowledge and tools to excel and progress in their careers. Employees are required attend mandatory internal training programmes such as Anti-Bribery and Corruption (ABC) and GMP, at least one hour per employee annually in line with the Group's Training Plan. Other than that, selected employees participate in external programmes such as KPM, OSH Coordinitor, Basic First Aid, Store Management, Halal Competency and E-invoicing, averaging three hours per year.



External Training

Basic First Aid Training + CPR & AED

Effective Inventory & Store Management

Mastering And Implementation E-Invoice

Food Handler Training

Occupation Safety and Health Coordinator

Halal Competncy Training

SUSTAINABILITY STATEMENT (CONT'D)

Employee Well-being

The Group views its employees as its greatest asset and their well-being remains a top priority. Support is provided through a mix of incentives, health initiatives, engagement activities and continuous development opportunities.

No	Company	Department	Group	Incentive(s)
1	OBSB & OLSB	Production	Operation	
2	OBSB & OLSB	Marketing	Non-Admin	
3	OLSB	Research&Development("R&D")	R&D	
4	Bonlife	Sales & Marketing	Non-Admin	
5	OBSB, OLSB & Bonlife	Finance, HR, QAQC, Purchasing, Store & Admin	Admin	

*Remark: The company also provide other incentives such as mobile phone allowance, season parking and petrol allowance to the eligible staff only.

 Monthly Production Incentive

 Product Incentive

 Monthly Sales Commission

 Quarterly KPI Incentive

Employee Engagement

Activity	Remark
Festival Dinner (Chinese New Year & Ramadhan Iftar)	All staff
Durian Season & Makan-makan	All staff
Annual Dinner	All staff
Internal Training such as ABC, GMP and other	Average of 1 hour per staff per year.
External Training such as KPM, OSH Coordinator, Basic First Aid, Store Management, Halal Competency & E-Invoicing.	Average of 3 hour per staff per year.
Monthly healthy fruits for all staff	All staff
Staff price for Bonlife products up to 20% discount	All staff
Monthly free health check-up such as diabetic/glucose and blood pressure monitoring	All staff

Through these incentives and engagement initiatives, the Group fosters a workplace that supports well-being, encourages participation and promotes personal and professional growth.

SUSTAINABILITY STATEMENT (CONT'D)

Community Engagement

The Group places a strong emphasis on building meaningful relationships with the communities in which it operates. These efforts include creating local employment opportunities, encouraging employee volunteerism, and supporting programmes that deliver a positive impact. Through such engagement, we seek to contribute to sustainable growth and support long-term positive outcomes.

During the year, our CSR activities included:



A visit to Persatuan Kebajikan OKU Hati Berganda Selangor, where we donated essential supplies and spent time with residents.



A visit to Pusat Kebajikan Orang Tua Cahaya Maju, where we provided daily necessities and shared moments of care and support with the elderly residents.

In addition to meeting immediate needs, these efforts nurtured a culture of giving back among our employees and reinforced the Group's role as a responsible corporate citizen.

SUSTAINABILITY STATEMENT (CONT'D)

GOVERNANCE PILLAR

The Group's governance approach is anchored on integrity, accountability and transparency. We are guided by the Code of Conduct and Ethics, which sets expectations for behaviour across the organisation and maintains a zero-tolerance stance towards corruption, bribery and any form of misconduct. Strong policies, adherence to regulations, and oversight from the Board and committees ensure that decisions are made responsibly, safeguarding the interests of stakeholders and supporting sustainable growth over the long term.

Anti-Bribery and Corruption

The Group's Anti-Bribery and Corruption ("ABC") Policy applies to all employees and business partners. It lays down standards to ensure ethical behaviour and compliance with current laws. The policy addresses key areas such as:

**Gifts, hospitality and entertainment:**

making sure that business courtesies do not influence decision-making;

**Sponsorships and donations:**

Prohibited contributions that could be perceived as bribes; and

**Facilitation of payments and kickbacks:**

Unofficial payments to gain a business advantage are prohibited

This policy is reviewed at least once every three years to ensure it stays relevant and continues to align with legal, regulatory and industry needs.



PERFORMANCE IN FYE2025:
NO CASES OF BRIBERY OR
CORRUPTION WERE REPORTED
REFLECTING OUR STRONG ETHICAL
CULTURE AND COMMITMENT TO
COMPLIANCE.

**Whistle Blowing Policy**

The Group's Whistleblowing Policy provides employees and stakeholders with safe and confidential channels to report misconduct or violations without fear of retaliation. All reports are handled in confidence and no action is taken against those who raise concerns in good faith.

To make the process transparent and accessible, several reporting options are available:



General misconduct concerns may be submitted in writing to the Managing Director or Executive Directors;



Issues involving the Management Team may be raised directly with the Chairman of the Audit and Risk Management Committee ("ARMC"); and



Reports can also be lodged via a dedicated email address (arc@orient.com.my) or through physical drop boxes placed at designated office areas.

SUSTAINABILITY STATEMENT (CONT'D)

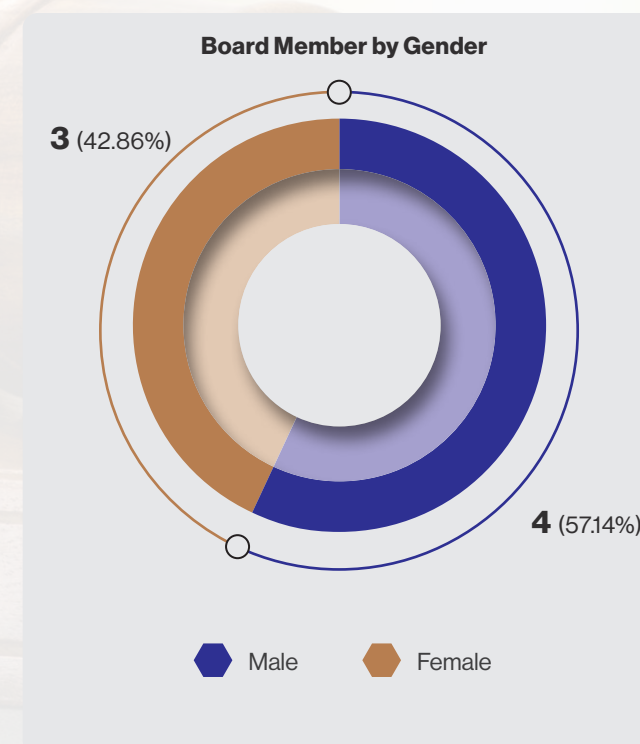
All complaints are logged, reviewed and investigated promptly. Findings are then reported to the ARMC, which ensures corrective measures are implemented and updates are shared with the Board of Directors. This policy is reviewed at least once a year to ensure it remains relevant and effective.



PERFORMANCE IN FYE2025: NO
CASES OF WHISTLEBLOWING
WERE REPORTED FOR THE YEAR
UNDER REVIEW.

**Board Diversity**

As at FYE 2025, the Board comprised seven members, with 42.86% female representation, exceeding the minimum 30% requirement under the MCGG.

**Data Privacy and Security**

OB Holdings manages data privacy and cybersecurity matters with care, putting measures in place to safeguard personal and business information of employees, customers, suppliers and stakeholders, in line with the Personal Data Protection Act 2010 ("PDPA"). We apply data governance practices to keep information secure, ensure it is used appropriately and protect it from unauthorised access or misuse.

Where relevant, customers, contractors and suppliers are also required to sign Non-Disclosure Agreements ("NDAs") to reinforce confidentiality and data protection commitments.



PERFORMANCE IN FYE2025:
THERE WERE NO CASES OF DATA
BREACHES REPORTED FOR THE
YEAR.





CORPORATE GOVERNANCE

04

Corporate Governance Overview Statement	74
Statement on Risk Management and Internal Control	87
Audit and Risk Management Committee Report	90
Additional Compliance Information	92
Statement on Directors' Responsibility	93



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of OB Holdings Berhad (“OB Holdings” or “the Company”) is committed to upholding the highest standards of corporate governance across OB Holdings and its subsidiaries (“the Group”). In line with this commitment, the Board seeks to foster integrity, accountability, and transparency throughout the Group’s operations, while ensuring effective oversight of management, strengthening investor confidence, safeguarding the interests of stakeholders, and creating sustainable long-term value for shareholders.

This Corporate Governance Overview Statement is complemented by a detailed Corporate Governance Report, prepared in accordance with the prescribed format under Rule 15.25(2) of the ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The Report sets out the Group’s application of corporate governance practices in line with the Malaysian Code on Corporate Governance (“MCCG”).

This Corporate Governance Overview Statement is based on the following three (3) key principles of the MCCG:-



This Statement provides shareholders with an overview of the Company’s corporate governance practices for the financial year ended 31 May 2025 (“FYE 2025”). It should be read together with the Corporate Governance Report for FYE 2025, which is available on the Company’s website at www.orient.com.my, as well as via an announcement on the website of Bursa Securities at www.bursamalaysia.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

1.1 Board Roles and Responsibilities

The Board is accountable to shareholders and assume ultimate responsibility for overseeing the performance and direction of the Group. In discharging this responsibility, the Board ensures that the Group’s business objectives are aligned with shareholder expectations, with the goal of delivering sustainable long-term value while balancing the interests of other stakeholders. The Board also oversees the effective management of the Group’s operations in compliance with regulatory and ethical requirements, and remains committed to upholding the highest standards of transparency, accountability, and governance.

As part of its stewardship role, the Board sets the strategic direction and policies of the Group to drive sustainable growth and long-term success. The effectiveness of the Board is underpinned by a balanced composition of Executive Directors (“ED”), who bring deep knowledge of the business, and Non-Executive Directors, who contribute independence, diverse expertise, and valuable industry perspectives.

The Board is guided by a Board Charter that clearly outlines its roles, duties, and responsibilities. To support its effectiveness, the Board has established the following Committees, each operating under well-defined Terms of Reference (“TOR”):-

- (a) Audit and Risk Management Committee (“ARMC”);
- (b) Nomination Committee (“NC”); and
- (c) Remuneration Committee (“RC”).

These Committees deliberating on matters within their purview and providing recommendations for the Board’s consideration and decision. In addition, authority is delegated to the Managing Director (“MD”), ED, and Senior Management to manage the Group’s day-to-day operations in line with the strategic direction set by the Board.

Further details of the Board Charter, the TOR of the Board Committees, and the Group’s corporate governance framework are available on the Company’s website at www.orient.com.my.

1.2 The Chairman of the Board

Dato’ Seri Abdul Puhat Bin Mat Nayan serves as the Independent Non-Executive Chairman of the Board, providing leadership to ensure the Board’s effectiveness, integrity, and the reinforcement of sound corporate governance practices throughout the Group. The Board believes that the Chairman should not participate in any Board Committees in order to preserve checks and balances and safeguard objectivity. Participation in such Committees may create situations that affect objectivity, including the possibility of self-review. Accordingly, in line with the principles of the MCCG, the Chairman does not serve as a member of any Board Committee.

1.3 The Chairman and MD

There is a clear division of responsibilities between the Chairman of the Board and the MD to ensure a proper balance of power and authority, thereby promoting accountability and preventing unfettered decision-making within the Company.

The Chairman of the Board is responsible for leading the Board, ensuring its effective functioning, and overseeing the implementation of the Board’s policies and decisions. The MD, on the other hand, is tasked with implementing the Group’s business plan and policies established by the Board, as well as managing the day-to-day operations and affairs of the Group to ensure smooth execution.

The separation of these roles provides a system of checks and balances, ensuring that no single individual holds excessive authority. The respective responsibilities of the Chairman of the Board and the MD are clearly defined in the Board Charter.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1.4 Qualified and Competent Company Secretaries

The Board is supported by two (2) Company Secretaries who are experienced and qualified to act as Companies Secretaries under Section 235(2) of the Companies Act 2016 and are registered holders of the Practicing Certificate issued by the Companies Commission of Malaysia. All Directors have access to the advice and services of the Company Secretaries.

The Company Secretaries consistently participate in relevant training programs, conferences, or seminars organised by authorities and professional bodies. This ensures they stay updated on corporate governance developments and regulatory changes pertinent to their role, enabling them to provide valuable advisory services to the Board.

The Board acknowledges that the Company Secretaries play an important role and will ensure that the Company Secretaries fulfil the functions for which they have been appointed.

During the FYE 2025, all Board meetings were properly convened, accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.

1.5 Meeting of Board and Board Committees

To assist Directors in managing their schedules, the Company Secretaries prepare an annual meeting calendar ahead of each new year. This calendar outlines the dates of Board and Board Committee meetings, as well as the annual general meeting ("AGM"). Additionally, it includes closed periods for trading in securities by Directors and principal officers, aligning with scheduled announcements of the Group's quarterly results.

The notices of Board and Board Committees meetings together with the meeting papers are generally furnished to the Board members within five (5) working days prior to the dates of meetings. This is to ensure that the Directors have sufficient preparation time and information to make an informed decision at each meeting.

The deliberations and conclusions of matters discussed in the Board or Board Committees meetings are duly recorded in the minutes of meetings. The draft minutes are circulated for the Board or Committee Chairman's review within a reasonable timeframe after the meetings. The minutes of meetings accurately captured the deliberations and decisions of the Board and/or the Board Committees, including whether any Director abstains from voting or deliberating on a particular matter.

All the records of proceedings and resolutions passed are kept at the registered office of the Company.

For urgent matters requiring the Board's decision outside of scheduled meetings, board papers together with a Directors' Written Resolution are circulated for the Board's consideration. Any written resolutions approved in this manner will subsequently be presented at the next Board meeting for notation.

1.6 Board Charter

The Company has formalised and adopted a Board Charter that defines the functions, authority, roles, and responsibilities of the Board. It also serves as a key reference document and induction material for new Board members, ensuring clarity of roles and responsibilities, and fostering effective decision-making, risk management, and compliance.

The Board Charter is reviewed periodically, and whenever necessary, to ensure it remains aligned with the Board's objectives, responsibilities, and evolving regulatory requirements. This review process ensures that the Charter stays relevant, up to date, and effective in supporting the Board's governance framework.

 The Board Charter is published on the Company's website at www.orient.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

1.7 Code of Ethics and Conduct

The Code of Ethics and Conduct which forms part of the Board Charter is observed by all Directors, Management and employees of the Group is available on the Company's website at www.orient.com.my.

The Board adhered strictly to the Code of Ethics and Conduct for Directors, ensuring effective oversight. This Code of Ethics and Conduct mandates all Directors, management, and employees of the Group to uphold high ethical standards in every aspect of the Group's business and professional practices, acting in the best interests of the Group and its shareholders.

Periodic reviews of the Code of Ethics and Conduct will be conducted by the Board to ensure its continued relevance and appropriateness.

1.8 Anti-Bribery and Corruption Policy ("ABC Policy")

To instill a culture of integrity and transparency across all Group activities, the Company adopted an ABC Policy in accordance with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Act"). This ABC Policy articulates the Company's zero-tolerance stance towards bribery and corruption, outlining the responsibilities of all individuals associated with the Group in adhering to this stance. It also establishes clear anti-bribery and corruption principles governing interactions with customers, business partners, and third parties. Additionally, the ABC Policy provides guidelines for identifying, managing, and mitigating bribery and corruption risks, ensuring the Company upholds the highest standards of ethical conduct.

The ABC Policy will be reviewed at least once every three (3) years to ensure that it continues to remain relevant and appropriate.

 The ABC Policy is made available on the Company's website at www.orient.com.my.

1.9 Whistle Blowing Policy

The Group has established a Whistleblowing Policy to demonstrate its commitment to integrity, transparency, and ethical business practices. The Policy provides a confidential channel for employees and stakeholders to report concerns such as misconduct, breaches of law or regulation, or violations of the Group's policies without fear of retaliation, provided the report is made in good faith.

The Policy also serves as an important mechanism in preventing and detecting improper conduct, harassment, or corruption within the Group. It is reviewed at least once every three (3) years to ensure continued relevance, effectiveness, and compliance with applicable laws and regulations.

 The Whistle Blowing Policy is published on the Company's website at www.orient.com.my.

1.10 Directors' Fit and Proper Policy

The Board has adopted the Directors' Fit and Proper Policy in accordance with the Rule 15.01A of the Listing Requirements of Bursa Securities. This policy serves as a guide to the NC and the Board in their review and assessment of potential candidates for appointment to the Group's Board, as well as retiring Directors seeking re-election at the AGM.

The Directors' Fit and Proper Policy ensures that the NC and the Board adhere to rigorous standards in their evaluation of candidates, enabling them to select Directors who possess the necessary qualifications, experience, and integrity to serve effectively on the Board. The Board has also adopted the Nomination and Appointment of New Directors Process and Procedures to formalise the process for the nomination and appointment of a new Director to be undertaken by the NC and the Board in discharging their responsibilities in terms of the nomination and appointment of new Directors of the Group.

The Board will regularly review the Directors' Fit and Proper Policy and may revise it as deemed necessary to align with the Board's objectives, current laws, and practices.

 The Directors' Fit and Proper Policy is available on the Company's website at www.orient.com.my.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (CONT'D)

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1.11 Conflict of Interest Policy

The Board has implemented a Conflict of Interest Policy that outlines clear procedures for the identification, disclosure, and management of conflicts of interest within the Group. The Policy is designed to ensure that any actual, potential, or perceived conflicts are effectively addressed, thereby safeguarding transparency and accountability.

In addition, the Policy reinforces the Group's commitment to compliance with the Listing Requirements of Bursa Securities and the Companies Act 2016, while promoting the highest standards of corporate governance. The Board reviews the Conflict of Interest Policy periodically and updates it as necessary to remain aligned with legal requirements, corporate objectives, and evolving best practices.

1.12 Sustainability Governance

The Board recognises that sustainable business practices are fundamental to long-term value creation and views responsible operations as integral to achieving operational excellence.

The Board assumes primary responsibility for overseeing sustainability matters, including setting strategies, priorities, and targets, while Management is entrusted with the operational execution of Environmental, Social, and Governance (ESG) initiatives as part of the Group's corporate strategy. As fiduciaries to shareholders, the Board is committed to exemplary corporate governance that emphasises ethics, integrity, and corporate responsibility.

The Board ensures that stakeholders are updated on the Group's sustainability priorities, targets, and performance, which are outlined in the Sustainability Statement of this Annual Report. In addition, the Board has included an assessment of its awareness of sustainability matters in the annual performance evaluation, reflecting its commitment to continually improving sustainability practices in line with prevailing standards and stakeholder expectations.

PART II – COMPOSITION OF THE BOARD

2.1 Board Composition

The composition of the Board complies with Rule 15.02 of the Listing Requirements of Bursa Securities, which stipulates that the Company must ensure that at least two (2) Directors or 1/3 of the Board members, whichever is the higher, are Independent Directors. Currently, the Board has seven (7) members. More than half of the Board comprises Independent Non-Executive Directors as follows:-

No.	Names	Designation
1.	Dato' Seri Abdul Puhat Bin Mat Nayan	Independent Non-Executive Chairman
2.	Teoh Eng Sia	Managing Director
3.	Lee Bao Yu	Executive Director
4.	Wong Chung Theng	Non-Independent Non-Executive Director
5.	Dato' Haji Mohd Dusuki Bin Ya'acob	Independent Non-Executive Director
6.	Vasu A/L Nallayan	Independent Non-Executive Director
7.	Ooi Gin Hui	Independent Non-Executive Director

The Board's composition complies with Practice 5.2 of the MCGG, with at least half of its members being Independent Non-Executive Directors. This ensures independent and objective judgment, effective checks and balances, and safeguards the interests of minority shareholders and other stakeholders, while upholding high standards of conduct and integrity.

In addition, the Board comprises members with diverse backgrounds and expertise across various fields. Collectively, they contribute a broad range of skills, experience, and knowledge in managing the Group's business. The Directors' profiles are presented in this Annual Report.

2.2 Tenure of Independent Directors

The Board acknowledges the recommendation by the MCGG that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. However, if the Board intends to retain a Director who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, the Board must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting. Furthermore, the Board recognises that as per the Listing Requirements of Bursa Securities, the tenure of an Independent Director should not exceed a cumulative term of twelve (12) years.

The Board has not adopted a policy that limits the tenure of its Independent Directors to nine (9) years, being a step-up practice. Notwithstanding that, the assessment of the independence of Independent Directors will be conducted annually via the Annual Evaluation of Independence of Directors to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.

During the FYE 2025, none of the Directors has served the Board as an Independent Director of the Company for a cumulative term of more than nine (9) years.

2.3 Board Diversity and Senior Management Team

The Board values diversity in its composition and that of the Senior Management Team, in line with the MCGG's recommendations. Appointments are made based on merit while considering diversity in skills, experience, age, cultural background, gender, and overall contribution.

To reinforce this, the Board adopted a Gender Diversity Policy to enhance gender representation at both Board and senior management levels. While female representation is encouraged, appointments are ultimately based on the right mix of competencies, experience, and knowledge to meet the Group's needs.

Currently, there are three (3) female Directors on the Board, namely, Ms. Ooi Gin Hui, Ms. Lee Bao Yu and Mdm. Wong Chung Theng, representing 42.86% of the Board composition.

2.4 Board Committees

The Board has established Committees with defined Terms of Reference ("TOR") to assist in discharging its responsibilities more effectively. This structure allows the Board to focus on broader strategic matters, while the Committees are entrusted to review and address specific issues.

The Board has three (3) Committees, with their membership set out in the table below:-

Composition	ARMC	NC	RC
Ooi Gin Hui (Independent Non-Executive Director)	Chairperson	Member	Member
Dato' Haji Mohd Dusuki Bin Ya'acob (Independent Non-Executive Director)	Member	Chairperson	Member
Vasu A/L Nallayan (Independent Non-Executive Director)	Member	Member	Chairperson

The TOR of the respective Board Committees are available on the Company's website at www.orient.com.my.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (CONT'D)

CORPORATE GOVERNANCE
OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

2.5 NC & RC

The composition of the NC and RC complies with the Listing Requirements of Bursa Securities, with both Committees comprising a majority of Independent Directors. The NC is responsible for assessing potential candidates and recommending them to the Board. In doing so, the Committee undertakes a thorough evaluation of the candidate's qualifications, skills, knowledge, experience, personal attributes, as well as their ability to commit sufficient time to the role. The Board believes that a mix of independence, competencies, and diverse backgrounds enhances its effectiveness and broadens perspectives in decision-making.

The RC, on the other hand, reviews and recommends to the Board the framework of remuneration for Executive Directors, taking into account their roles and responsibilities. Final decisions on appointments and remuneration rest with the full Board, with Directors abstaining from deliberations on their own packages. Directors' fees are subject to shareholders' approval at the AGM, based on the Board's recommendation.

Following the Company's listing on the ACE Market of Bursa Securities on 29 October 2024, the NC has undertaken the following activities up to the issuance of this Statement:-

- Evaluated the balance of skills, knowledge and experience of the Board. Carried out the assessment and rating of each Director's performance against the criteria as set out in the annual assessment form. The performance of Non-Executive Directors was also carefully considered, including whether he/she could devote sufficient time to the role.
- Undertaken an effectiveness evaluation exercise of the Board and its Committees as a whole with the objective of assessing its effectiveness.
- Reviewed and assessed the independence of the Independent Directors of the Company.
- Reviewed and assessed the performance of the ARMC.
- Reviewed and recommended to the Board for consideration, the re-election of the Directors who were due to retire at the AGM.

2.6 Board Appointment and Re-appointment Process

The NC is entrusted by the Board to make independent recommendations on Board appointments. In assessing the suitability of candidates, the NC takes into account, among others, the individual's character, integrity, qualifications, competencies, experience, commitment, and track record. For nominees as Independent Non-Executive Directors, the NC also evaluates their ability to discharge the responsibilities expected of the role.

In line with the Listing Requirements of Bursa Securities and the Company's Constitution, one-third (1/3) of the Directors are subject to retirement at each AGM, with all Directors retiring at least once every three (3) years but eligible for re-election. Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office until the conclusion of the next AGM and are also eligible for re-election.

When considering Directors for re-election, the NC evaluates their competencies, commitment, contribution, and performance based on annual assessments, as well as their ability to act in the best interest of the Company.

The Board, guided by the NC's recommendations, proposes the re-election, re-appointment, and continuation in office of Directors for shareholders' approval at the AGM.

2.7 Annual Evaluation of the Directors, Board and Board Committees as a whole

The Board, with the support of the NC, undertook a structured and objective evaluation to review the effectiveness of the Board and its Committees, as well as the contribution of each Director. The exercise also assessed the independence of the Independent Non-Executive Directors, guided by established benchmarks and best practices in corporate governance.

The review combined both collective and peer-based assessments. Each Director completed an evaluation form, and the feedback was deliberated by the NC before the results were presented to the Board by the NC Chairperson.

The evaluation criteria for Non-Executive Directors included meeting attendance, preparation, participation, quality of input, and contribution to Board and Committee deliberations. For the MD and ED, the assessment was carried out against key performance indicators such as financial and strategic results, sustainability, compliance, business acumen, succession planning, and the creation of shareholder value. The first evaluation was completed in July 2025, following the Company's listing.

2.8 Attendance of Board and Board Committees' Meetings

The Board meets at least once every quarter on a scheduled basis and additional meetings are to be convened as and when deemed necessary by the Board. In view that the Company was listed on the ACE Market of Bursa Securities on 29 October 2024, the Board had only conducted four (4) Board meetings during the FYE 2025 where it has deliberated and approved various reports and matters, including quarterly financial results of the Group for the announcement to Bursa Securities as well as the Group's strategy, operational and financial performance.

The attendance records of each Board member at the Board and Board Committees meetings held during the FYE 2025 are as follows:-

Name of Directors	Board	ARMC	NC	RC
	No. of Meetings Attended			
Dato' Seri Abdul Puhat Bin Mat Nayan (Independent Non-Executive Chairman)	4/4	-	-	-
Teoh Eng Sia (Managing Director)	4/4	-	-	-
Lee Bao Yu (Executive Director)	4/4	-	-	-
Wong Chung Theng (Non-Independent Non-Executive Director)	4/4	-	-	-
Dato' Haji Mohd Dusuki Bin Ya'acob (Independent Non-Executive Director)	4/4	3/3	-	-
Vasu A/L Nallayan (Independent Non-Executive Director)	4/4	3/3	-	-
Ooi Gin Hui (Independent Non-Executive Director)	4/4	3/3	-	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

2.9 Directors' Training

From time to time, relevant guidelines on statutory and regulatory requirements were circulated to the Board for reference. In line with Rule 15.08 of the Listing Requirements of Bursa Securities, the Directors attended the following training programmes during FYE 2025:-

Name of Directors	Training/Seminar attended
Dato' Seri Abdul Puhat Bin Mat Nayan	- Mandatory Accreditation Programme ("MAP") - Briefing on the Key Amendments to the Listing Requirements of Bursa Securities to enhanced Sustainability Reporting Framework and Conflict of Interest ("COI") - Briefing on the Key Amendments to Listing Requirements of Bursa Securities
Teoh Eng Sia	- MAP - Briefing on the Key Amendments to the Listing Requirements of Bursa Securities to enhanced Sustainability Reporting Framework and COI - Briefing on the Key Amendments to Listing Requirements of Bursa Securities - Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Lee Bao Yu	- MAP - Briefing on the Key Amendments to the Listing Requirements of Bursa Securities to enhanced Sustainability Reporting Framework and COI - Briefing on the Key Amendments to Listing Requirements of Bursa Securities - Vistage CEO Training: Retail Market Training, Supply Chain management, Marketing Training, HR Training
Wong Chung Theng	- MAP - Briefing on the Key Amendments to the Listing Requirements of Bursa Securities to enhanced Sustainability Reporting Framework and COI - Briefing on the Key Amendments to Listing Requirements of Bursa Securities - Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Dato' Haji Mohd Dusuki Bin Ya'acob	- MAP - Briefing on the Key Amendments to the Listing Requirements of Bursa Securities to enhanced Sustainability Reporting Framework and COI - Briefing on the Key Amendments to Listing Requirements of Bursa Securities
Vasu A/L Nallayan	- MAP - Briefing on the Key Amendments to the Listing Requirements of Bursa Securities to enhanced Sustainability Reporting Framework and COI - Briefing on the Key Amendments to Listing Requirements of Bursa Securities
Ooi Gin Hui	- Briefing on the Key Amendments to the Listing Requirements of Bursa Securities to enhanced Sustainability Reporting Framework and COI - Briefing on the Key Amendments to Listing Requirements of Bursa Securities - Mandatory Accreditation Programme Part II: Leading for Impact (LIP)

To effectively discharge their roles and responsibilities, the Directors remain committed to continuous professional development. This ensures they stay abreast of best practices and emerging trends relevant to their areas of expertise. The Company actively supports and encourages their participation in such programmes, recognising the importance of maintaining a competent and well-informed Board.

PART III – REMUNERATION

3.1 Remuneration Policy

The Board had established a formal and transparent Remuneration Policy to attract and retain Directors and Senior Management of the Company and is available on the Company's website at www.orient.com.my.

The RC assists the Board in implementing remuneration policies and procedures, including reviewing and recommending Directors' remuneration packages. It ensures that the remuneration framework is fair, reflects the responsibilities and contributions of Directors, and is aligned with the Company's strategic objectives.

The Board, guided by the RC's recommendations, determines the remuneration of the MD/ED(s). Their packages are structured to link rewards to both corporate and individual performance.

Independent Non-Executive Directors receive fixed fees that reflect their roles, responsibilities, Board and Committee participation, as well as the skills and expertise they contribute. In addition, they are entitled to meeting allowances for attending Board and Committee meetings. Directors abstain from deliberations and voting on matters relating to their own remuneration.

3.2 Remuneration of Directors

The remuneration payable to each of the individual Director of the Company and of the Group for the FYE 2025 are as follows:-

(A) The Company

Name of Directors	Fees (RM'000)	Allowance (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefits-in Kind (RM'000)	Other emoluments* (RM'000)	Total (RM'000)
Dato' Seri Abdul Puhat Bin Mat Nayan	48	1	-	-	-	-	49
Teoh Eng Sia	-	-	-	-	-	-	-
Lee Bao Yu	-	-	-	-	-	-	-
Wong Chung Theng	-	-	-	-	-	-	-
Dato' Haji Mohd Dusuki Bin Ya'acob	48	1	-	-	-	-	49
Vasu A/L Nallayan	48	1	-	-	-	-	49
Ooi Gin Hui	48	1	-	-	-	-	49
Total	192	4	-	-	-	-	196

(B) The Group

Name of Directors	Fees (RM'000)	Allowance (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefits-in Kind (RM'000)	Other emoluments* (RM'000)	Total (RM'000)
Dato' Seri Abdul Puhat Bin Mat Nayan	48	1	-	-	-	-	49
Teoh Eng Sia	-	60	240	70	28	24	422
Lee Bao Yu	-	0.2	182	34	17	32	265.2
Wong Chung Theng	132	-	-	-	13	-	145
Dato' Haji Mohd Dusuki Bin Ya'acob	48	1	-	-	-	-	49
Vasu A/L Nallayan	48	1	-	-	-	-	49
Ooi Gin Hui	48	1	-	-	-	-	49
Total	324	64.2	422	104	58	56	1028.2

Note:-
* Other emoluments include the Employees Provident Fund ("EPF"), Social Security Organisation ("SOCSO") and Employment Insurance System ("EIS").

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

3.3 Remuneration of Senior Management

The Board is of the view that disclosing Senior Management’s remuneration on a named basis is not in the best interest of the Company, as it may affect the ability to attract and retain talent in the competitive construction industry. The Board also considered the sensitivity and confidentiality of such information and has therefore opted not to disclose remuneration on a named basis or in bands of RM50,000. Instead, the aggregated remuneration of Senior Management, presented on an unnamed basis in bands of RM50,000, is disclosed in this Annual Report as follows:-

Range of Remuneration	No. of senior management officer
RM50,001 to RM100,000	-
RM100,001 to RM150,000	3
RM150,001 to RM200,000	3
RM200,001 to RM250,000	-

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – ARMC

4.1 Effective and Independent ARMC

The ARMC comprises three (3) members. The composition of the ARMC complies with Rules 15.09 and 15.10 of the Listing Requirements of Bursa Securities and the recommendation of MCCG whereby all three (3) ARMC members are Independent Non-Executive Directors. None of the members of the ARMC were former key audit partners of the present auditors of the Group and none of the Independent Non-Executive Directors has appointed alternate directors.

The composition of ARMC, including its roles and responsibilities, number of meetings and attendance of ARMC, summary of ARMC activities and internal auditors’ activities during the financial year under review were set out in the AC Report of this Annual Report.

The Chairperson of the ARMC is not the Chairman of the Board, ensuring that the objectivity of the Board’s review of the ARMC’s findings and recommendations remains unaffected.

The members of the ARMC possess the necessary skills and knowledge to fulfil their responsibilities as outlined in the ARMC’s Terms of Reference, with a strong understanding of matters within its scope, including the financial reporting process. They are expected to devote sufficient time to maintaining and enhancing their expertise through relevant continuing education programs, ensuring informed participation in deliberations. The ARMC members consistently keep themselves updated on developments in accounting and auditing standards, practices, and regulations.

4.2 External Auditors

The Group maintains a transparent and effective relationship with the External Auditors, granting them direct communication authority. This enables the External Auditors to bring to the attention of the ARMC any matters requiring the Board’s attention regarding compliance with accounting standards and related regulatory requirements.

The Board had established the External Auditors Assessment Policy together with the annual performance evaluation form, which sets out the guidelines and procedures for the ARMC to review, assess and monitor the performance, suitability and independence of the External Auditors. The factors considered by the ARMC in its assessment include the adequacy of professionalism and experience of the staff, the resources of the External Auditors, fees, independence, and the level of non-audit services rendered to the Group.

The ARMC had carried out an annual performance assessment of the External Auditors and is satisfied with the suitability and independence of the External Auditors and had recommended their re-appointment to the shareholders for approval at the forthcoming AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

5.1 Risk Management and Internal Control Framework

The Board acknowledges its overall responsibilities in establishing a sound risk management framework and internal control system within the Group. The risk management framework and internal control system are designed to manage the Group’s risks within an acceptable risk appetite, rather than eliminate the risk of failure to achieve the policies, goals and objectives of the Group. It provides reasonable assurance against material misstatement of financial information and records or against financial losses or fraud.

The Company also engages Internal Auditors to provide independent assessments of the adequacy, efficiency and effectiveness of the Company’s internal control system. The Internal Auditors report directly to the ARMC and internal audit plans are tabled to the ARMC for review and approval by the Board to ensure adequate coverage.

Further details on the features of the risk management and internal control framework, and the adequacy and effectiveness of this framework, are disclosed in the Statement on Risk Management and Internal Control in this Annual Report.

5.2 Internal Audit Function

The internal audit function of the Group is outsourced to Sterling Business Alignment Consulting Sdn. Bhd., (“Sterling”) an independent professional consulting company, which is independent of the activities and operations of the Group as its Internal Control Consultant to review the adequacy and sufficiency of systems, procedures and controls of the Group.

The Board had established the Internal Auditors Assessment Policy together with the annual performance evaluation form, to outline the guidelines and procedures for the ARMC to review, assess and monitor the performance, suitability and independence of the Internal Auditors.

The ARMC had obtained assurance from Sterling confirming that they are, and have been, independent throughout the conduct of the internal audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The internal audit functions and activities carried out during the FYE 2025 are as disclosed in the ARMC Statement in this Annual Report.

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

PART I – COMMUNICATION WITH STAKEHOLDERS

6.1 Continuous Communication with Stakeholders

The Board acknowledges that transparent, timely, and equitable dissemination of information is essential to maintain investor confidence and support informed decision-making by shareholders, potential investors, and the public. To uphold this commitment, the Board has adopted a Corporate Disclosure Policy that provides a clear framework for the communication of material information and major developments affecting the Group.

Key corporate communications, including quarterly results, announcements, annual reports, and circulars, serve as primary channels for keeping stakeholders well-informed of the Group’s performance, strategic initiatives, and operational progress. In addition, the Company’s website, www.orient.com.my, offers a central and accessible platform where shareholders and members of the public can readily obtain corporate information, news, updates, and details of events relating to the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II – CONDUCT OF GENERAL MEETING

7.1 Conduct of General Meetings

The AGM serves as the primary forum for shareholders to engage directly with the Directors and Senior Management. It provides shareholders with the opportunity to ask questions and seek clarification from the Board following their review of the Group's performance as presented in the Annual Report. Board members, Company Secretary(ies), and External Auditors will attend the AGM, allowing shareholders to make inquiries in person regarding the Company's performance and operations.

In line with the Listing Requirements of Bursa Securities, poll voting will be implemented for all proposed resolutions set out in the notice of any general meeting. An independent scrutineer will also be appointed to verify the votes cast.

To ensure shareholders have sufficient time to review the Annual Report, it will be circulated at least twenty-eight (28) clear days before the AGM. Shareholders unable to attend the meeting are encouraged to vote on the proposed motions by appointing a proxy.

The notice of the 2nd AGM will be circulated to shareholders at least 28 days before the meeting, allowing sufficient time to review the Annual Report. The notice will also be published in a nationally circulated newspaper and on the Bursa Securities' website, ensuring immediate access for shareholders to prepare for the AGM.

The forthcoming 2nd AGM will be held physically, providing an effective platform for direct communication with shareholders. Shareholders will be encouraged to actively participate in the open question-and-answer session during the meeting.

The outcome of all resolutions proposed at the general meetings will be announced to Bursa Securities at the end of the meeting day.

7.2 Effective Communication and Proactive Engagement

All Directors were present at the Company's EGM held on 10 April 2025 to respond to questions raised by shareholders. The Chairman of the Board, along with members of the Board Committees, was available to provide clarifications and address queries regarding the Company and the Group's operations.

The AGM and EGM serve as key platforms for the Board to engage directly with shareholders, gain insights into their perspectives, and obtain feedback on the Company's performance and initiatives. Shareholders are encouraged to raise questions and provide input during these meetings, with the Board ensuring that all queries are addressed thoroughly and systematically.

To facilitate meaningful dialogue, the Board will allocate sufficient time for discussion before each resolution at the forthcoming 2nd AGM. Following the meeting, a summary of the key matters deliberated will be made available on the Company's website at www.orient.com.my, providing shareholders with convenient access to the information discussed.

STATEMENT BY THE BOARD ON CORPORATE GOVERNANCE STATEMENT

The Board has reviewed, deliberated, and approved this statement. Based on its assessment, the Board is satisfied that, to the best of its knowledge, the Company has complied with the principles and practices of the MCCG, the relevant provisions of the Listing Requirements of Bursa Securities on corporate governance, and all other applicable laws and regulations throughout FYE 2025.

The Board acknowledges that corporate governance is a continuous journey and remains committed to identifying opportunities for enhancement, ensuring that the Group continues to foster trust and confidence among its stakeholders.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

This Statement on Risk Management and Internal Control ("the Statement") is made pursuant to Rule 15.26(b) of the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and guided by the principles and best practices outlined in the Malaysian Code on Corporate Governance ("MCCG") 2021 as well as the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by Bursa Securities.

The Board of Directors ("the Board") of OB Holdings Berhad ("OB Holdings" or "the Company") and its subsidiaries ("Group") is pleased to present this Statement, which outlines the nature and scope of the Group's risk management and internal control framework for the financial year ended 31 May 2025 ("FYE 2025").

BOARD'S RESPONSIBILITIES

The Board acknowledges its overall responsibility for establishing and maintaining appropriate systems of risk management and internal control to safeguard shareholders' investments and the Group's assets.

The Board has delegated the responsibility for reviewing the adequacy and effectiveness of the Group's risk management and internal control systems to the Audit and Risk Management Committee ("ARMC") in accordance with its approved Terms of Reference. ARMC supported by the Management, Independent Internal Auditors and External Auditors, conducts periodic evaluations to ascertain whether risks potentially impeding the Group's objectives are adequately assessed, managed, and controlled. During ARMC meetings, issues and corresponding management actions are reviewed and deliberated upon, with resulting minutes presented to the Board. The Board emphasises the integration of risk management across all Company activities and establishes acceptable risk thresholds to inform decision-making and governance processes.

Whilst acknowledging its responsibilities, the Board is aware of the limitations that are inherent in any systems of risk management and internal controls where such systems were designed and established to manage the Group's key risks to an acceptable level rather than eliminating them. The established systems of risk management and internal controls provide reasonable but not absolute assurance against material misstatement, losses or fraud.

The Board and the Management play a key role in implementing and monitoring the Group's risk management and internal control systems and ensures they remain relevant, adequate, and effective through regular reviews and updates.

RISK MANAGEMENT

The Group has established an Enterprise Risk Management ("ERM") Handbook which outlines the objectives, governance framework, and processes for risk identification, assessment, evaluation and reporting. The ERM Handbook serves as a guideline to Management and promotes a proactive risk management culture across the Group.

The Board, through the ARMC, oversees the implementation of the ERM framework. Key risks are identified and assessed on an ongoing basis, covering financial, operational, compliance and information technology aspects. Risk registers are maintained and updated to reflect changes in the business environment, with significant risks and mitigating actions reported to the ARMC for review and monitoring.

The ERM process remains dynamic and is embedded into the Group's business activities. Active participation from the Board, Management and employees ensures that risks are managed in a structured and consistent manner, with appropriate responses developed in line with the Group's strategic objectives.

INTERNAL AUDIT FUNCTION

The Company was listed on the ACE Market of Bursa Securities on 29 October 2024 ("Listing"). In preparation for the Listing, the Board had engaged Sterling Business Alignment Consulting Sdn Bhd ("Sterling"), an independent professional consulting firm as our Internal Control Review Consultant, to conduct a comprehensive review on the adequacy of the Group's internal control systems in general and its compliance with the Listing Requirements of Bursa Securities with respect to the internal control state, risk management, and corporate governance.

Subsequent to the successful listing on the ACE Market of Bursa Securities, the Company continued to outsource its internal audit function to Sterling to act as the Internal Auditor of the Group, reporting directly to the ARMC. Sterling is free from any relationships or conflict of interest, which could potentially impair the objectivity and independence of the internal audit function. Sterling does not have any direct operational responsibility or authority over any of the activities audited. Sterling uses the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the Group's internal control systems.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

The role of the Internal Auditor is to provide internal audit reports on the effectiveness of the system of internal controls within the business units of the Group to the ARMC for review and deliberation, on a regular basis or as and when directed by the ARMC. The internal audit reviews were conducted according to the approved risk-based internal audit plan. The internal audit reports address the critical business processes, internal control gaps, effectiveness and adequacy of the existing state of internal control and recommend possible improvements to the internal control process.

For FYE2025, the Internal Auditors carried out two (2) internal audit reviews:-

Reporting month	Company Subsidiaries	Audit area
April 2025	Orient Biotech Sdn Bhd Orient Laboratories Sdn Bhd	- Production Planning - Production and Packing - Quality Control
July 2025	Orient Biotech Sdn Bhd Orient Laboratories Sdn Bhd	- Sales and Marketing - Research and Development

The total cost incurred in maintaining the internal audit function for FYE 2025 was RM29,000.

INTERNAL CONTROL SYSTEM

The key elements of the internal control system that provide effective governance and oversight of internal controls comprises the following key elements

- a. The Group maintains a clear organisational structure with defined accountability and responsibility to ensure effective checks and balances in decision-making, including matters requiring Board approval. This is supported by established Limits of Authority, which set out delegated approving responsibilities across Management levels and are reviewed periodically in line with organisational changes;
- b. The ARMC and the Board meet at least once every quarter to review and deliberate on financial reports, annual financial statements, internal audit reports etc. Discussions with Management will be held to deliberate on the actions that are required to be taken to address the internal control issues identified;
- c. The ARMC and the Board review findings of the internal and external audit on accounting and internal control issues, and hold discussions with Management on actions to be taken to resolve them;
- d. Internal policies and procedures had been established for the key business units within the Group to guide employees in their day-to-day activities. The policies and procedures are periodically reviewed and updated to cater to the changing business environment and operational requirements, and statutory reporting needs; and
- e. The Group has documented policies and procedures to regulate key processes in line with recognised standards, including the International Organisation for Standardisation ("ISO") 9001:2015, Good Manufacturing Practice ("GMP"), Hazard Analysis and Critical Control Point ("HACCP"), U.S. Food and Drug Administration ("FDA") requirements as well as Halal Certificate. In addition, the Group upholds high standards of ethics and integrity through its Anti-Bribery and Corruption Policy, which prohibits all forms of bribery and corruption, and its Whistleblowing Policy, which provides employees, third parties and the public with a confidential channel to report any improper or illegal activities. Both policies are published on the Company's website

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

BOARD ASSURANCE AND LIMITATION

For the financial year under review, the Board is satisfied that the existing systems of risk management and internal control are effective and that there were no significant control failures resulted in material losses.

The Board had received assurance from the Executive Directors and Key Management that the Group would continuously improve and maintain a sound and effective system of risk management and internal control. In pursuit of objectives, Management's role includes implementing the Board's policies, decisions, and guidelines regarding risks and controls, which encompass identifying, evaluating, and mitigating risks with suitable measures.

While emphasising the need for continuous enhancement of risk management and internal control systems, the Board acknowledges that these systems cannot completely eradicate the risk of failing to achieve business objectives. Stakeholders should understand that while these systems provide reasonable assurance, they do not offer absolute protection against significant misstatements, fraud, or losses.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

In accordance with Rule 15.23 of the Listing Requirements of Bursa Securities, the External Auditors have reviewed this Statement on Risk Management and Internal Control for the inclusion in the Annual Report for FYE 2025. The limited assurance review was conducted in line with the Audit and Assurance Practice Guide 3 ("AAPG3"), Guidance for Auditor on Engagement to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants.

Following the principles set out in AAPG3, the External Auditors have reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the Annual Report of the Group, in all material respects in accordance with the disclosures required by paragraphs 41 and 42 on the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement on Risk Management and Internal Control factually inaccurate.

CONCLUSION

The Board is of the opinion that the Group's risk management and internal control systems are relevant, adequate and effective in safeguarding the Group's assets at the existing level of operations of the Group for the financial year under review, and up to the date of approval of this Statement

The Board recognises that risk management and internal control is a continuous process. The Board will monitor, review and, where necessary, strengthen these systems in line with the Group's evolving strategic and operational requirements.

This Statement is issued in accordance with a resolution passed by the Board on 26 September 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Audit and Risk Management Committee (“ARMC” or “the Committee”) of OB Holdings Berhad (“the Company”) is pleased to present the ARMC Report for the financial year ended 31 May 2025 (“FYE 2025”).

1. OBJECTIVES

The ARMC was established to assist the Board in carrying out its statutory duties effectively. By undertaking independent and objective reviews, the Committee provides assurance on the strength of the Group's financial, operational, and administrative controls and procedures, thereby promoting robust governance and sound risk management within the Company and its subsidiaries (“the Group”).

2. COMPOSITION OF ARMC

The ARMC comprises the following members, all of whom are Independent Non-Executive Directors of the Company:

Name of Committee members	Designation and Directorship
Ooi Gin Hui	Chairperson, Independent Non-Executive Director
Dato' Haji Mohd Dusuki Bin Ya'acob	Member, Independent Non-Executive Director
Vasu A/L Nallayan	Member, Independent Non-Executive Director

The Company has complied with Rule 15.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) as well as Practices 9.1 and 9.4 under Principle B of the Malaysian Code of Corporate Governance.

The authorities and duties of the ARMC are governed by the Terms of Reference of the ARMC. The Terms of Reference of the ARMC can be accessed from the Company's website at:

<https://www.orient.com.my/>

3. MEETINGS AND ATTENDANCES

The ARMC held a total of three (3) ARMC Meetings during the FYE 2025. The details of attendance of each member at the ARMC Meetings are as follows:

Name of Committee members	Meeting Attendance
Ooi Gin Hui	3/3
Dato' Haji Mohd Dusuki Bin Ya'acob	3/3
Vasu A/L Nallayan	3/3

The presence of the External Auditors and/or the Internal Auditors at the ARMC meetings can be requested if required by the ARMC. Other members of the Board and the Management of the Group may attend the Meeting (specific to the relevant meeting and to the matters being discussed) upon invitation of the ARMC.

4. SUMMARY OF WORKS OF THE ARMC FOR THE FYE 2025

The summary of the activities undertaken by the ARMC during FYE 2025, amongst others, included the following:

- i. Reviewed the unaudited condensed quarterly financial results of the Company including the announcements pertaining thereto. The discussion focused particularly on any changes in or implementation of major accounting policy changes, significant and unusual events and compliance with accounting standards and other legal requirements before recommending to the Board for approval and making the announcement to Bursa Securities;
- ii. Reviewed with the Internal Auditors, the internal audit plan, the reports for the internal audit function, and considered the findings of internal audit reviews and Management responses thereon, and ensured that appropriate actions are taken on the recommendations raised by the Internal Auditors;
- iii. Reviewed the related party transactions and/or recurrent related party transactions, if any, that transpired within the Group to ensure that the transactions entered into were at arm's length basis and on normal commercial terms;
- iv. Reviewed the disclosures of conflict of interest involving the Directors and Key Senior Management of the Group and concluded that there was no additional examination or mitigation measures were deemed necessary for the Conflict of Interest disclosed;
- v. Reviewed and received the Audit Planning Memorandum from External Auditors in respect of the financial statements of the Group for the FYE 2025; and
- vi. Reviewed the Circular to Shareholders in relation to the Proposed Shareholders' Ratification and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature before recommending to the Board for approval.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

5. INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to Sterling Business Alignment Consulting Sdn. Bhd., an independent internal audit consulting firm. This arrangement ensures an independent assessment and assist the ARMC in assessing the adequacy and effectiveness of the Group's governance and internal control system. Additionally, the Internal Auditors presents significant audit findings and offers recommendations for continuous enhancement of the system.

The cost incurred for the outsourced internal audit functions for the FYE 2025 amounted to RM29,000.

The internal audit function has conducted independent and systematic audit reviews in accordance with the approved annual internal audit plan. These reviews encompass key functional areas and business activities of the Group, emphasising best practices and addressing all business risks with a core focus. The aim is to provide reasonable assurance that the following aspects continue to operate satisfactorily and effectively:

- The effectiveness and efficiency of operations;
- Reliability of reporting;
- Compliance with applicable laws and regulations; and
- Safeguarding the assets.

Internal audit reviews are carried out based on functional areas, providing a valuable mechanism for evaluating processes and offering assurance that concerns, findings, and recommendations are properly addressed. Follow-up audits are subsequently undertaken to assess the extent of action plans and improvements implemented by Management.

The ARMC is of the view that the internal audit function operates independently, with the Internal Auditors carrying out their assignments with impartiality, competence, and due professional care.

6. FINANCIAL REPORTING

The ARMC reviews and evaluates the unaudited consolidated quarterly financial results and the annual audited financial statements of the Group to ensure their material accuracy, adequacy, validity, timeliness, and compliance with applicable financial reporting standards prior to disclosure to shareholders. These reports, which provide a balanced and fair view of the Group's financial position and prospects, are subsequently submitted to the Board for approval and release to Bursa Securities.

7. RELATIONSHIP WITH AUDITORS

The Group maintains transparent and appropriate relationships with both the External and Internal Auditors, enabling access to professional advice on compliance and corporate governance matters. The Group's internal audit function is outsourced to an independent third party that reports directly and regularly to the ARMC. Both the External and Internal Auditors have unrestricted access to the ARMC, ensuring that issues raised are addressed objectively, independently, and without undue influence from Management.

The Board, through the ARMC, upholds a formal, transparent, and professional relationship with the External and Internal Auditors. Where necessary, the ARMC meets with the Auditors in the absence of Management to reinforce their independence and objectivity.

Meetings with the External Auditors are convened to discuss audit plans, findings, and the Group's financial statements, as well as to obtain professional guidance on other relevant matters.

8. EVALUATION OF THE PERFORMANCE OF THE AUDITORS

In line with its Terms of Reference, the Board had, prior to the Listing, established an Assessment Policy for both the External and Internal Auditors, together with their respective annual performance evaluation forms. The policy sets out the guidelines and procedures for the ARMC to review, assess, and monitor the performance, suitability, and independence of the Auditors. To safeguard objectivity, the External and Internal Auditors are prohibited from providing services that could impair their independence or create a conflict of interest with their audit role.

The ARMC also obtains assurance from both the External and Internal Auditors that they remain independent throughout the audit engagement, in compliance with all applicable professional and regulatory requirements. In addition, the ARMC conducts an annual performance evaluation of the Auditors and, where appropriate, may invite the Executive Director and Financial Controller to participate in the assessment process.

The annual evaluation form provides a checklist for the ARMC to carry out a formal review of the independence, effectiveness and efficiency of the External and Internal Auditors of the Company. The following are some of the criteria to be annually reviewed by the ARMC:-

- a. Calibre of the internal audit firm;
- b. Quality of the engagement team;
- c. Quality of communication and interaction with the audit team;
- d. audit scope and quality processes;
- e. Audit governance and independence; and
- f. Internal audit fee.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING (“IPO”)

In conjunction with, and as an integral part of the listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Company undertook a public issuance of 120,000,000 new ordinary shares at an issue price of RM0.24 per ordinary share, raising a total gross proceed of approximately RM28.80 million (“IPO Proceeds”).

The status of the utilisation of the IPO Proceeds as at 31 May 2025 was as follows:-

Purposes	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000	Estimated Timeframe for Utilisation (from the Listing date)
Business expansion				
- Repayment of bank borrowings	14,900	10,000	4,900	Within 36 months
- Purchase of machines	5,000	-	5,000	Within 36 months
- Product development expenditure	900	225	675	Within 36 months
Marketing and advertisement	1,000	-	1,000	Within 24 months
Working capital	3,000	3,000	-	Within 24 months
Listing expenses	4,000	4,000	-	Within 3 months
Total	28,800	17,225	11,575	

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid and payable to the External Auditors, Grant Thornton Malaysia PLT for services rendered by them to the Group for the financial year ended 31 May 2025 are as follows:-

Details of fees	Company RM'000	Group RM'000
Audit	40	176
Non-Audit	120	130

Note:
(1) Non-statutory audit fees mainly for services performed in connection with listing.

3. MATERIAL CONTRACTS

There were no material contracts entered by the Group which involved Directors' or major shareholders' interests during the financial year under review.

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND TRADING NATURE (“RRPTs”)

The details of the Shareholders' Mandate for the RRPTs are set out in the Circular to Shareholders dated 30 September 2025 which is available on Bursa Securities' website and the Company's website.

The details of the transactions with related parties undertaken by the Group during the financial year ended 31 May 2025 are disclosed in Note 29 to the audited financial statements for the financial year ended 31 May 2025.

5. EMPLOYEES' SHARE SCHEME

The Company did not establish any employee share scheme and does not have any subsisting employee share scheme during the financial year under review.

STATEMENT OF DIRECTORS' RESPONSIBILITY

As required under the Companies Act 2016 (“Act”) and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Directors have made a statement expressing an opinion on the financial statement of the Group and the Company. The Board is responsible for ensuring that the financial statements are prepared in compliance with the provisions of the Act, Malaysian Financial Reporting Standards, and International Financial Reporting Standards, so as to present a true and fair view of the Group's and the Company's financial position at the end of the financial year, as well as the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements, the Board has undertaken the following measures:-

- Ensured that the Group and the Company consistently applied relevant and appropriate accounting policies in compliance with the approved accounting standards in Malaysia;
- Maintained proper accounting records that reflect the financial position of the Group and the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act;
- Exercised prudent and reasonable judgement and estimates;
- Complied with applicable financial reporting standards, with any material departures disclosed and explained in the financial statements; and
- Prepared the financial statements on a going concern basis, unless it is inappropriate to assume that the Group and the Company will continue operating as a going concern.

The Board has also ensured the timely release of the Company's quarterly reports and annual audited financial statements to Bursa Malaysia Securities Berhad, thereby keeping the investing public informed of the Group's latest performance and developments.

The Board is also responsible for taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities.



FINANCIAL STATEMENTS

05

Directors' Report	96
Statement by Directors	103
Statutory Declaration	103
Independent Auditors' Report	104
Statements of Financial Position	109
Statements of Profit or Loss and Other Comprehensive Income	111
Statements of Changes in Equity	112
Statements of Cash Flows	113
Notes to the Financial Statements	116

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 May 2025.

PRINCIPAL ACTIVITIES

The Company was principally engaged in investment holding.

The principal activities and details of the subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

FINANCIAL RESULT

	Group RM	Company RM
Profit after tax for the financial year	<u>4,579,539</u>	<u>1,540,664</u>
Attributable to:-		
Owners of the Company	<u>4,579,539</u>	<u>1,540,664</u>

DIVIDENDS

Dividend paid since the end of the previous financial period are as follows:

RM

In respect of the financial year ended 31 May 2025:

Interim single tier dividend of 0.12 sen per ordinary share,
declared on 27 January 2025 and paid on 14 March 2025

469,952

On 30 July 2025, the Board of Directors have proposed and approved a single tier interim dividend of 0.12sen per ordinary share, amounting to dividend payment of RM469,952 in respect of the current financial year. The financial statements for the current financial year do not reflect this proposed dividend and will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 May 2026.

DIRECTORS' REPORT (CONT'D)

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

DIRECTORS

The name of the Directors of the Company in office during the financial year and during the period commencing from the end of the financial year to the date of this report are: -

Teoh Eng Sia (Managing Director)
 Lee Bao Yu (Non-Independent Executive Director)
 Wong Chung Theng (Non-Independent Non-Executive Director)
 Dato' Seri Abdul Puhat Bin Mat Nayan (Independent Non-Executive Chairman)
 Dato' Haji Mohd Dusuki Bin Ya'acob (Independent Non-Executive Director)
 Ooi Gin Hui (Independent Non-Executive Director)
 Vasu A/L Nallayan (Independent Non-Executive Director)

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 in Malaysia, the interests and deemed interests in the ordinary shares of the Company and its related corporations of those who were Directors as at the financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) are as follows: -

	Number of ordinary shares			
	At 1.6.2024	Bought	Sold	At 31.5.2025
<u>Direct interests</u>				
Teoh Eng Sia	500	77,068,950	-	77,069,450
Lee Bao Yu	-	1,044,000	-	1,044,000
Wong Chung Theng	500	77,068,950	-	77,069,450
Dato' Seri Abdul Puhat Bin Mat Nayan	-	250,000	-	250,000
Dato' Haji Mohd Dusuki Bin Ya'acob	-	250,000	-	250,000
Ooi Gin Hui	-	250,000	-	250,000
Vasu A/L Nallayan	-	1,200,000	-	1,200,000
<u>Indirect interests</u>				
Teoh Eng Sia*	500	194,557,050	-	194,557,550
Wong Chung Theng*	500	194,557,050	-	194,557,550

*Deemed interested by virtue of his/her spouse's direct shareholdings in the Company and the shareholdings in Goodone Holding Sdn. Bhd..

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS IN SHARES (CONT'D)

By virtue of their interests in the ordinary shares of the Company, Mr Teoh Eng Sia and Madam Wong Chung Theng are also deemed to have interest in the shares of all the subsidiaries during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, the remuneration and benefit received and receivable by the Directors of the Company are as follows: -

	Incurred by the Company RM	Incurred by the subsidiaries RM	Total RM
Directors of the Company:-			
Salaries, allowances and bonuses	4,000	592,131	596,131
Defined contribution plans	-	49,220	49,220
Fees	192,000	132,000	324,000
	<u>196,000</u>	<u>773,351</u>	<u>969,351</u>

The estimated monetary value of benefits provided to the Director of the Company during the financial year by way of usage of the Group's assets and other benefits amounted to RM58,554.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than benefits as disclosed in the Notes to the financial statements) 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.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains Directors' and Officers' liabilities insurance for the purpose of Section 289 of the Companies Act 2016, throughout the financial year which provides appropriate insurance coverage for the Directors and Officers of the Company and its subsidiary. The amount of insurance premium paid during the financial year is amounted to RM9,730.

DIRECTORS' REPORT (CONT'D)

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued:

- (a) 271,626,000 new ordinary shares at an issue price of RM0.10 per ordinary share, in total RM27,162,600 as fully discharge of the purchase consideration for three acquisitions of subsidiaries, Orient Biotech Sdn. Bhd., Orient Laboratories Sdn. Bhd. and Bonlife (M) Sdn. Bhd., during the financial year.
- (b) 120,000,000 new ordinary shares at an issue price of RM0.24 per ordinary share for a total cash consideration of RM28,800,000 for cash pursuant to its Initial Public Offering exercise on 27 September 2024.

The new ordinary shares issued during the financial period rank pari passu in all respects with the existing ordinary shares of the Company.

There was no issuance of debenture during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps: -

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that all known bad debts had been written off and adequate provision had been made for doubtful debt; and
- (b) 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 have been written down to an amount which they might be expected so to realise.

DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION (CONT'D)

At the date of this report, the Directors are not aware of any circumstances: -

- (a) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

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

- (a) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the Directors: -

- (a) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
- (b) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of operations of the Group and of the Company for the current financial year in which this report is made.

DIRECTORS' REPORT (CONT'D)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD

Listing on ACE Market

On 7 March 2024, Bursa Malaysia Securities Berhad has approved the admission of the Company to the official list and the listing of and quotation for its entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad. The ordinary shares of the Company were listed on the ACE Market of Bursa Malaysia Securities Berhad on 29 October 2024.

United States of America (“US”) Reciprocal Tariff

On 2 April 2025, the US government announced a reciprocal tariff on imported goods from all countries. A baseline tariff of 10% on all imports was imposed effective 5 April 2025, with higher tariffs proposed for specified countries. Malaysia was initially designated a tariff rate of 24% effective from 9 April 2025. On the same day, however, the US government also announced a temporary 90-day suspension of the higher tariff rates for all countries, except China. As a result, the 10% baseline tariff remained applicable to imports from Malaysia and other countries (excluding China) until 9 July 2025.

On 2 and 8 July 2025, the US government announced revised higher tariff of 20% for Vietnam and 25% for Malaysia, replacing the earlier proposed rates. Following bilateral negotiation, the US government issued an executive order on 31 July 2025, reducing the tariff on Malaysia good to 19% effective from 7 August 2025.

At this juncture, the management does not expect the reciprocal tariff to have a material impact on the Group's business operations or financial performance as the Group's direct export to US is negligible. However, the imposition of the reciprocal tariff by the US and retaliation tariffs by certain countries may lead to dysfunctional global trade environment such as supply chain disruptions, increase of operational costs and other global macroeconomic conditions such as rising inflation, higher unemployment rates, lower disposable income and etc. These put adverse implications on the global economy and may have a material adverse impact on the business and financial performance of businesses worldwide.

The management is aware that any future development to this event may have a direct or indirect implication to its business operations and will continue to monitor the situation closely and take appropriate and timely measures to address the potential implications that may arise from this reciprocal tariff.

DIRECTORS' REPORT (CONT'D)

AUDITORS

The Auditors, Grant Thornton Malaysia PLT, have expressed their willingness to continue in office.

The amount of audit and other fees paid or payable to the Auditors by the Group and the Company for the financial year ended 31 May 2025 are as follows:

	Group RM	Company RM
Auditors' remuneration:		
- Statutory audit	176,000	40,000
- Assurance-related services	130,000	120,000

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extent permissible under the requirements of the Companies Act 2016 in Malaysia. However, no payment has been made arising from this indemnity for the financial year.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.

.....	)	
TEOH ENG SIA	)	
	)	
	)	
	)	
	)	DIRECTORS
	)	
	)	
	)	
	)	
.....	)	
LEE BAO YU		

Kuala Lumpur
26 September 2025

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 109 to 168 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 their financial performance and their cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.

.....
TEOH ENG SIA

.....
LEE BAO YU

Kuala Lumpur
26 September 2025

STATUTORY DECLARATION

I, Teoh Eng Sia, being the Managing Director primarily responsible for the financial management of OB Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 109 to 168 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur)
in the Federal Territory)
this day of 26 September 2025)

TEOH ENG SIA

Before me:

MOHD OMAR NATHAN BIN ABDULLAH (W 924)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OB HOLDINGS BERHAD

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of OB Holdings Berhad, which comprise the statements of financial position as at 31 May 2025, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statement of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 109 to 168.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 May 2025, and of their financial performance and of their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OB HOLDINGS BERHAD (CONT'D)

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements (cont'd)

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 year. 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.

Inventories valuation

The risk - Refer to Note 10 to the financial statements. The Group holds significant amounts of inventories which is subject to a risk that the inventories become slow-moving or obsolete and rendering it not saleable or can only be sold for selling prices that are less than their carrying value. There is inherent subjectivity and estimation involved in determining the accuracy of inventories obsolescence provision and in making an assessment of its adequacy due to risk of inventories not stated at the lower of cost or market value.

Our response - We tested the methodology for calculating the provisions, challenged the appropriateness and consistency of judgements and assumptions, and considered the nature and suitability of historic data used in estimating the provisions. In doing so, we obtained understanding on the ageing profile of inventories, the process for identifying specific problem inventories and historical loss rates.

Allowance for expected credit losses

The risk - Refer to Note 11 to the financial statements. We focused on this area because the Group has material amounts of trade receivables that are past due but not impaired. The key associate risk is the recoverability of billed trade receivables as management judgement is required in determining the completeness of the trade receivables provision and in assessing its adequacy through considering the expected recoverability of the year-end trade receivables.

Our response - We have obtained an understanding of the Group's control over the trade receivables' collection process, how the Group identifies and assesses the loss allowance of trade receivables and how the Group makes the accounting estimates for loss allowance. We have reviewed the application of the Group's policy for calculating the expected credit losses, considered the ageing of the trade receivables and testing the reliability thereon. In doing so, we have evaluated techniques and methodology applied for the expected credit losses approach and assessed the estimated future cash inflows by examining the historical collection records, historical loss rate of receivables, information regarding the current creditworthiness and any significant changes in credit quality of the debtors, evidence of subsequent settlements and other relevant information.

There is no key audit matter to be communicated in respect of the audit of the financial statements of the Company.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OB HOLDINGS BERHAD (CONT'D)

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements (cont'd)

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 information included in the annual 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 do not cover the other information 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 other information and, in doing so, consider whether the other information 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 other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of 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, IFRS Accounting 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 or 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OB HOLDINGS BERHAD (CONT'D)

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

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 of 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 or 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 or 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OB HOLDINGS BERHAD (CONT'D)

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

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, actions taken to eliminate threats or safeguards applied.

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 year 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

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 purpose for the content of this report.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

Kuala Lumpur
26 September 2025

FOO LEE MENG
(NO: 03069/07/2027(J))
CHARTERED ACCOUNTANT

STATEMENTS OF FINANCIAL POSITION

As at 31 May 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	15,041,198	10,178,206	29,012	32,392
Right-of-use assets	4	17,102,929	16,747,180	-	-
Investment property	5	-	217,392	-	-
Investment in subsidiaries	6	-	-	40,162,700	-
Intangible assets	7	1	1	-	-
Deferred tax assets	8	5,500	-	-	-
Other receivables	9	5,000	10,100	-	-
Total non-current assets		32,154,628	27,152,879	40,191,712	32,392
Current assets					
Inventories	10	11,683,351	11,617,583	-	-
Trade receivables	11	8,477,349	8,535,220	-	-
Other receivables	9	1,950,501	1,472,487	57,504	272,592
Tax recoverable		407,967	133,403	4,500	-
Short term investments	12	13,680,863	-	13,680,863	-
Deposits with licensed banks	13	152,156	389,650	-	-
Cash and bank balances		8,201,800	3,172,503	808,026	-
Total current assets		44,553,987	25,320,846	14,550,893	272,592
TOTAL ASSETS		76,708,615	52,473,725	54,742,605	304,984
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to owners of the Company					
Share capital	14	54,395,245	1,401,000	54,395,245	1,000
Merger deficit	15	(25,762,600)	-	-	-
Retained earnings/(Accumulated losses)		35,013,269	30,903,682	215,725	(854,987)
Total equity		63,645,914	32,304,682	54,610,970	(853,987)
LIABILITIES					
Non-current liabilities					
Borrowings	16	678,312	11,226,448	-	-
Deferred tax liabilities	8	297,375	713,107	-	-
Total non-current liabilities		975,687	11,939,555	-	-

STATEMENTS OF FINANCIAL POSITION (CONT'D)

As at 31 May 2025

		Group		Company	
	<u>Note</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
		RM	RM	RM	RM
EQUITY AND LIABILITIES (CONT'D)					
LIABILITIES (CONT'D)					
Current liabilities					
Trade payables	17	1,864,727	2,964,888	-	-
Other payables	18	3,754,672	2,459,779	131,635	1,158,971
Borrowings	16	6,099,651	2,734,961	-	-
Tax payable		367,964	69,860	-	-
		<u>12,087,014</u>	<u>8,229,488</u>	<u>131,635</u>	<u>1,158,971</u>
Total current liabilities		12,087,014	8,229,488	131,635	1,158,971
Total liabilities		<u>13,062,701</u>	<u>20,169,043</u>	<u>131,635</u>	<u>1,158,971</u>
TOTAL EQUITY AND LIABILITIES		<u><u>76,708,615</u></u>	<u><u>52,473,725</u></u>	<u><u>54,742,605</u></u>	<u><u>304,984</u></u>

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 31 May 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Revenue	19	54,526,149	50,886,193	3,000,000	-
Cost of sales		<u>(32,237,674)</u>	<u>(29,168,134)</u>	<u>-</u>	<u>-</u>
Gross profit		22,288,475	21,718,059	3,000,000	-
Other income	20	532,492	107,266	-	-
Selling and distribution expenses		(6,428,053)	(5,416,328)	-	-
Administrative expenses		(9,437,136)	(8,295,665)	(1,836,683)	(854,987)
(Net impairment loss)/ Reversal of impairment loss on financial assets		<u>(109,818)</u>	<u>618,525</u>	<u>-</u>	<u>-</u>
Operating profits		6,845,960	8,731,857	1,163,317	(854,987)
Finance income	21	383,192	8,271	377,347	-
Finance costs	22	<u>(667,738)</u>	<u>(799,299)</u>	<u>-</u>	<u>-</u>
Profit/(Loss) before tax	23	6,561,414	7,940,829	1,540,664	(854,987)
Tax expense	24	<u>(1,981,875)</u>	<u>(2,440,777)</u>	<u>-</u>	<u>-</u>
Profit/(Loss) for the financial year/Total comprehensive income for the financial year		<u>4,579,539</u>	<u>5,500,052</u>	<u>1,540,664</u>	<u>(854,987)</u>
Earning per share attributable to owners of the Company (sen):-					
- Basic/Diluted	25	<u>1.40</u>	<u>2.10</u>		

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 May 2025

		← Non-distributable →		Distributable	
	Note	Share capital	Merger	Retained earnings/ (Accumulated losses)	Total equity
		RM	Deficit RM	RM	RM
Group					
Balance at 1 June 2023		1,401,000	-	25,403,630	26,804,630
Total comprehensive income for the financial year		-	-	5,500,052	5,500,052
Balance at 31 May 2024		1,401,000	-	30,903,682	32,304,682
Transactions with owners					
Acquisition of subsidiaries	14	(1,400,000)	1,400,000	-	-
Issuance of ordinary shares pursuant to acquisition of subsidiaries	14	27,162,600	(27,162,600)	-	-
Issuance of shares pursuant to Public Issue	14	28,800,000	-	-	28,800,000
Share issuance expenses	14	(1,568,355)	-	-	(1,568,355)
Dividends	26	-	-	(469,952)	(469,952)
Total transaction with owners		52,994,245	(25,762,600)	(469,952)	26,761,693
Total comprehensive income for the financial year		-	-	4,579,539	4,579,539
Balance at 31 May 2025		54,395,245	(25,762,600)	35,013,269	63,645,914
Company					
At date of incorporation (1 June 2023)		1,000	-	-	1,000
Total comprehensive loss for the financial year		-	-	(854,987)	(854,987)
Balance at 31 May 2024		1,000	-	(854,987)	(853,987)
Transactions with owners					
Issuance of ordinary shares pursuant to acquisition of subsidiaries	14	27,162,600	-	-	27,162,600
Issuance of shares pursuant to Public Issue	14	28,800,000	-	-	28,800,000
Share issuance expenses	14	(1,568,355)	-	-	(1,568,355)
Dividends	26	-	-	(469,952)	(469,952)
Total transaction with owners		54,394,245	-	(469,952)	53,924,293
Total comprehensive income for the financial year		-	-	1,540,664	1,540,664
Balance at 31 May 2025		54,395,245	-	215,725	54,610,970

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

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 May 2025

	<u>Note</u>	Group		Company	
		<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
		RM	RM	RM	RM
OPERATING ACTIVITIES					
Profit/(Loss) before tax		6,561,414	7,940,829	1,540,664	(854,987)
Adjustments for:-					
Deposits forfeited		-	36,270	-	-
Depreciation of property, plant and equipment		2,157,994	1,876,167	3,380	1,408
Depreciation of right-of-use assets		205,799	216,646	-	-
Depreciation of investment property		680	2,717	-	-
Dividend income		-	-	(3,000,000)	-
Gain on disposal of property, plant and equipment		(101,000)	(15,999)	-	-
Gain on disposal of investment property		(20,274)	-	-	-
Interest expenses		667,738	799,299	-	-
Interest income		(383,192)	(8,271)	(377,347)	-
Inventories written off		6,261	6,623	-	-
Property, plant and equipment written off		-	45,265	-	-
Net impairment loss on financial assets/ (Reversal of impairment loss on financial assets)		109,818	(618,525)	-	-
Operating profit/(loss) before working capital changes		9,205,238	10,281,021	(1,833,303)	(853,579)
Changes in working capital:-					
Inventories		(72,029)	(1,520,350)	-	-
Receivables		(524,861)	(3,384,165)	241,532	(272,592)
Payables		194,732	2,346,704	(132,246)	230,007
Cash generated from/(used in) operations		8,803,080	7,723,210	(1,724,017)	(896,164)
Dividend received		-	-	3,000,000	-
Interest received		72,935	6,451	68,814	-
Interest paid		(4,046)	(14,558)	-	-
Tax refund		136,574	42,566	-	-
Tax paid		(2,516,141)	(2,419,168)	(4,500)	-
Net cash from/(used in) operating activities		6,492,402	5,338,501	1,340,297	(896,164)
INVESTING ACTIVITIES					
Interest received		310,257	1,820	308,533	-
Acquisition of subsidiaries		-	-	(100)	-
Advances to subsidiaries		-	-	(13,026,444)	-
Proceeds from disposal of property, plant and equipment		101,000	43,517	-	-
Proceeds from disposal of investment property		236,986	-	-	-
Purchase of property, plant and equipment	A	(6,770,986)	(5,298,585)	-	(33,800)
Additions of right-of-use assets		(561,548)	-	-	-
Net cash used in investing activities		(6,684,291)	(5,253,248)	(12,718,011)	(33,800)

STATEMENTS OF CASH FLOWS (CONT'D)

For the Financial Year Ended 31 May 2025

	<u>Note</u>	<u>2025</u> RM	<u>2024</u> RM	<u>2025</u> RM	<u>2024</u> RM
		Group		Company	
FINANCING ACTIVITIES					
(Repayment to)/ Advances from companies in which Directors have interests		-	-	(928,964)	928,964
Advance from subsidiaries		-	-	33,874	-
Dividends paid to shareholders		(469,952)	-	(469,952)	-
Drawdown of term loans		-	947,134	-	-
Drawdown of bankers' acceptances		1,281,000	90,000	-	-
Drawdown of revolving credit facility		3,095,591	-	-	-
Interest paid		(663,692)	(784,741)	-	-
Increased in deposits pledged		(3,689)	(3,744)	-	-
Proceeds from issuance of shares		28,800,000	1,000	28,800,000	1,000
Repayment of hire purchase		(14,881)	-	-	-
Repayment of term loans		(11,795,156)	(1,228,074)	-	-
Repayment of lease liabilities		-	(149,810)	-	-
Share issuance expenses		(1,568,355)	-	(1,568,355)	-
Net cash from/(used in) financing activities		18,660,866	(1,128,235)	25,866,603	929,964
CASH AND CASH EQUIVALENTS					
Net changes		18,468,977	(1,042,982)	14,488,889	-
Brought forward		3,413,686	4,456,668	-	-
Carried forward	B	21,882,663	3,413,686	14,488,889	

NOTE TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	<u>2025</u> RM	<u>2024</u> RM	<u>2025</u> RM	<u>2024</u> RM
	Group		Company	
Total purchase of property, plant and equipment	7,020,986	5,298,585	-	33,800
Less: Acquired under lease arrangement	(250,000)	-	-	-
	6,770,986	5,298,585	-	33,800

STATEMENTS OF CASH FLOWS (CONT'D)

For the Financial Year Ended 31 May 2025

NOTE TO THE STATEMENTS OF CASH FLOWS (CONT'D)

B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following items:-

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RM	RM	RM	RM
Short term investments	13,680,863	-	13,680,863	-
Deposits with licensed banks	152,156	389,650	-	-
Cash and bank balances	8,201,800	3,172,503	808,026	-
	22,034,819	3,562,153	14,488,889	-
Less: Deposits pledged with a licensed bank	(152,156)	(148,467)	-	-
Total cash and cash equivalents	<u>21,882,663</u>	<u>3,413,686</u>	<u>14,488,889</u>	<u>-</u>

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

NOTES TO THE FINANCIAL STATEMENTS

31 May 2025

1. GENERAL INFORMATION

OB Holdings Berhad is a public limited liabilities 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 Third Floor, No. 77, 79 & 81, Jalan SS21/60 Damansara Utama, 47400 Petaling Jaya Selangor and the principal place of business is located at No. 37, Jalan PS 3, Taman Industri Prima Selayang, 68100 Batu Caves Selangor.

The Company was principally engaged in investment holding.

The principal activities and details of the subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the natures of these activities of the Company and its subsidiaries during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board of Directors on 26 September 2025.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Statement of compliance

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

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, except as otherwise stated in the financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.2 Basis of Measurement (cont'd)

The fair value of an asset or a liability is measured on the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value are measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

2.3 Functional and Presentation Currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and all values are rounded to the nearest RM except when otherwise stated.

2.4 Basis of consolidation

The Group's financial statements consolidate those of the parent company and all of its subsidiaries at 31 May 2025. All subsidiaries have a reporting date of 31 May.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.4 Basis of consolidation (cont'd)

A business combination involving entities under common control is a business combination in which all the combining entities or business are ultimately controlled by same party or parties both before or after the business combination, and that control is not transitory. The acquisition of Orient Biotech Sdn. Bhd., Orient Laboratories Sdn. Bhd. and Bonlife (M) Sdn. Bhd. resulted in a business involving common control entities since the management of all the entities which took part in the acquisition were controlled by common Directors and under common shareholders before and immediately after the acquisition, and accordingly the accounting treatment is outside the scope of MFRS 3. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the consolidated financial statements. The merger method of accounting on a retrospective basis and restated its comparative as if the consolidation had taken place before the state of the earliest period presented in the financial statements.

The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any resulting gain/loss is recognised directly in equity.

2.5 MFRSs

2.5.1 Adoption of amendments and improvements to MFRSs

At the beginning of the current financial year, the Group and the Company adopted amendments and improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 June 2024.

Initial application of the amendments and improvements to the standards did not have material impact to the financial statements.

2.5.2 Standards issued but not yet effective

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and Company intend to adopt these new and amended standards, if applicable, when they become effective.

Effective for financial period beginning on or after 1 January 2025: -

Amendments to MFRS 121	The effect of changes in foreign exchange rates: Lack of exchangeability
------------------------	--

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 MFRSs (cont'd)

2.5.2 Standards issued but not yet effective (cont'd)

Effective for financial period beginning on or after 1 January 2026:-

Amendments to MFRS 9 and MFRS 7	Financial Instruments and Financial Instruments: Disclosures - Amendments to the Classification and Measurement of Financial Instruments
Amendments to MFRS 9 and MFRS 7	Financial Instruments and Financial Instruments: Disclosures - Contracts Referencing Nature - dependent Electricity
Annual improvements to MFRS Accounting Standards - Volume 11	

Effective for financial period beginning on or after 1 January 2027: -

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability: Disclosures

Deferred to a date to be determined by the Malaysian Accounting Standards Board:-

Amendments to MFRS 10 and MFRS 128	Consolidated Financial Statements and Investments in Associate and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
------------------------------------	---

The initial application of the above new and amended standards are not expected to have material financial impacts to the financial statements, except for:

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 Presentation and Disclosure in Financial Statements introduces three sets of new requirements to improve companies' reporting of financial performance:

- Improved comparability in the statement of profit or loss (income statement)
- Enhanced transparency of management-defined performance measures
- More useful grouping of information in the financial statements

MFRS 18 replaces MFRS 101 *Presentation of Financial Statements*. It carries forward many requirements from MFRS 101 unchanged. MFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, but companies can apply it earlier.

The Group is currently working to identify all impacts the amendments will have on the financial statements and notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.6 The Use of Estimates and Judgements

The preparation of financial statements in conformity with MFRSs and IC Interpretations require the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. It also requires the management and Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the management's and Directors' best knowledge of current events and actions, actual results may defer from those estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised from the period in which the estimate is revised.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses are outlined below.

Useful lives of depreciable assets

Management assesses that the useful lives represent the expected utility of the assets to the Group and the Company. Management estimates the useful lives of the depreciable assets to be within 5 to 99 years and reviews the useful lives of depreciable assets at end of each reporting date. Actual results, however, may vary due to change in the expected level of usage and technological developments, which may result in an adjustment to the Group's and the Company's assets.

Impairment of non-financial Assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows.

In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's and the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.6 The Use of Estimates and Judgements (cont'd)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses are outlined below (cont'd).

Inventories

The Group writes down its obsolete or slow-moving inventories based on assessment of their estimated net selling price, the expiry dates, condition and movements of the inventories and applies certain percentage of write down. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write down for obsolete or slow-moving inventories. Where expectation differs from the original estimates, the differences will impact the carrying amounts of inventories.

Provision for expected credit losses ("ECLs") of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns such as the repayment pattern of the customers, customers type and coverage by letters of credit.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing and trading sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. 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.

Amortisation of intangible assets

The patent is amortised on a straight-line basis over their useful lives of 5 years. The Group assesses annually the useful lives of the intangible assets and if the expectation differs from the original estimate, such difference will impact the amortisation expenses in the period in which such estimate had been charged.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.6 The Use of Estimates and Judgements (cont'd)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses are outlined below (cont'd).

Income taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. The Group accounts for the portions separately if the portions could be sold separately (or leased out separately under a finance lease). If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

3. PROPERTY, PLANT AND EQUIPMENT

	Furniture, fittings and office equipment RM	Motor vehicles RM	Plant and machinery RM	Capital-work-in progress RM	Total RM
Group Cost					
At 1 June 2023	4,305,873	2,763,298	14,485,588	-	21,554,759
Additions	497,029	-	2,193,847	2,607,709	5,298,585
Disposals	-	(88,338)	(156,710)	-	(245,048)
Written off	(1,192,982)	-	(1,225,036)	-	(2,418,018)
Transfer from right-of-use assets	-	247,858	-	-	247,858
At 31 May 2024	3,609,920	2,922,818	15,297,689	2,607,709	24,438,136
Additions	112,126	390,284	938,158	5,580,418	7,020,986
Disposals	-	(299,977)	(45,700)	-	(345,677)
Written off	-	-	(699,569)	-	(699,569)
At 31 May 2025	3,722,046	3,013,125	15,490,578	8,188,127	30,413,876
Accumulated depreciation					
At 1 June 2023	2,483,799	1,745,537	10,711,113	-	14,940,449
Charge for the financial year	336,966	427,381	1,111,820	-	1,876,167
Disposals	-	(88,337)	(129,193)	-	(217,530)
Written off	(1,171,204)	-	(1,201,549)	-	(2,372,753)
Transfer from right-of-use assets	-	33,597	-	-	33,597
At 31 May 2024	1,649,561	2,118,178	10,492,191	-	14,259,930

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (cont'd)	Furniture, fittings and office equipment RM	Motor vehicles RM	Plant and machinery RM	Capital- work-in progress RM	Total RM
Accumulated depreciation (cont'd)					
Additions	319,205	307,260	1,531,529	-	2,157,994
Disposals	-	(299,977)	(45,700)	-	(345,677)
Written off	-	-	(699,569)	-	(699,569)
At 31 May 2025	1,968,766	2,125,461	11,278,451	-	15,372,678
Net carrying amount					
At 31 May 2024	1,960,359	804,640	4,805,498	2,607,709	10,178,206
At 31 May 2025	1,753,280	887,664	4,212,127	8,188,127	15,041,198

Plant and machinery pledged as securities to financial institution

The net carrying amount of plant and machinery pledged as securities for bank borrowing is amounted to RM1,079,344 (2024: RM1,349,180).

The details of asset pledged as securities for bank borrowings are disclosed in Note 16 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

Registration No: 202301020810 (1514732-P)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	<u>Signboard</u> RM
Company Cost	
At date of incorporation	-
Additions	<u>33,800</u>
At 31 May 2024/ 31 May 2025	<u>33,800</u>
Accumulated depreciation	
At date of incorporation	-
Charge for the financial year	<u>1,408</u>
At 31 May 2024	1,408
Charge for the financial year	<u>3,380</u>
At 31 May 2025	<u>4,788</u>
Net carrying amount	
At 31 May 2024	<u><u>32,392</u></u>
At 31 May 2025	<u><u>29,012</u></u>

Material accounting policy information

Recognition and measurement

All property, plant and equipment are measured at cost less accumulated depreciation and less any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the Company.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**Material accounting policy information (cont'd)****Depreciation (cont'd)**

The estimated useful lives for the current and comparative periods are as follows:-

Furniture and fittings	2% - 20%
Office equipment	10%
Motor vehicles	20%
Factory equipment	10%
Lab equipment	10%
Plant and machinery	10% - 20%

Fully depreciated assets are retained in the financial statements until they are no longer in used and no further charge for depreciation is made in respect of these assets.

Capital work-in-progress consists of buildings under construction/installation for intended use as production facilities. The amount is stated at cost and includes capitalisation of interest incurred on borrowings related to property, plant and equipment under construction/installation until the property, plant and equipment are ready for their intended use. Assets under construction are not depreciated until they are completed and ready for their intended use.

4. RIGHT-OF-USE ASSETS

	<u>Leasehold land and buildings</u> RM	<u>Motor vehicles</u> RM	<u>Total</u> RM
Group			
Cost			
At 1 June 2023	17,657,692	247,858	17,905,550
Transfer to property, plant and equipment	-	(247,858)	(247,858)
At 31 May 2024	17,657,692	-	17,657,692
Additions	561,548	-	561,548
At 31 May 2025	18,219,240	-	18,219,240

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

4. RIGHT-OF-USE ASSETS (CONT'D)

	Leasehold land and <u>buildings</u> RM	Motor <u>vehicles</u> RM	<u>Total</u> RM
Group			
Accumulated depreciation			
At 1 June 2023	708,393	19,070	727,463
Charge for the financial year	202,119	14,527	216,646
Transfer to property, plant and equipment	-	(33,597)	(33,597)
At 31 May 2024	910,512	-	910,512
Charge for the financial year	205,799	-	205,799
At 31 May 2025	1,116,311	-	1,116,311
Net carrying amount			
At 31 May 2024	16,747,180	-	16,747,180
At 31 May 2025	17,102,929	-	17,102,929

Asset pledged as securities to financial institutions

The net carrying amount of assets pledged as securities for bank borrowings are:-

	<u>2025</u> RM	<u>2024</u> RM
Leasehold land and buildings	16,524,359	16,161,192

The details of assets pledged as securities for bank borrowings are disclosed in Note 16 to the financial statements.

Material accounting policy information

Recognition and measurement

The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

4. RIGHT-OF-USE ASSETS (CONT'D)

Material accounting policy information (cont'd)

Depreciation

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:-

Motor vehicles	20%
Leasehold land and buildings	81 – 99 years

Recognition exemption

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

5. INVESTMENT PROPERTY

	Leasehold buildings	
	<u>2025</u>	<u>2024</u>
	RM	RM
Group		
Cost		
At 1 June 2024/2023	250,000	250,000
Disposal	(250,000)	-
At 31 May	-	250,000
Accumulated depreciation		
At 1 June	32,608	29,891
Charge for the financial year	680	2,717
Disposal	(33,288)	-
At 31 May	-	32,608
Net carrying amount		
At 31 May	-	217,392

The following items are recognised in profit or loss in respect of investment property:-

	<u>2025</u>	<u>2024</u>
	RM	RM
Direct operating expenses:		
- income generating investment properties	2,130	1,925

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

5. INVESTMENT PROPERTY (CONT'D)

The fair value of the investment properties are as follows:-

	<u>2025</u> RM	<u>2024</u> RM
Leasehold buildings	<u>-</u>	<u>314,455</u>

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

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

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
The Group estimates the fair value of all investment properties based on the market evidence of transaction prices for similar properties. Valuation processes applied by the Group for level 3 fair value.	Indicative market price of property in vicinity compared.	The estimated fair value would increase/ (decrease) if market prices of property were higher/(lower).

Assessment of the fair values of the Group's investment properties is undertaken annually. The changes in Level 3 fair values are analysed by the management based on the assessment undertaken.

Material accounting policy information

Recognition and measurement

Investment property is stated at cost less accumulated depreciation and any impairment losses.

Depreciation

Depreciation on investment property is computed on straight-line basis in order to write off the cost over their estimated useful lives.

The principal annual depreciation rates used are as follows:-

Leasehold buildings	84 years
---------------------	----------

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

6. INVESTMENT IN SUBSIDIARIES

	Company	
	<u>2025</u> RM	<u>2024</u> RM
At cost		
Unquoted shares in Malaysia	<u>40,162,700</u>	<u>-</u>

Details of the subsidiaries are as follows:-

<u>Name of company</u>	<u>Principal place of business</u>	<u>Effective ownership interest and voting interest</u>		<u>Principal activities</u>
		<u>2025</u> %	<u>2024</u> %	
Orient Biotech Sdn. Bhd. ("Orient Biotech")	Malaysia	100	-	Provision of manufacturing services of fortified food and beverages to third party brand owners; manufacturing of fortified food and beverages under its house brands; as well as trading of related products.
OB Foodtech Sdn. Bhd. ("OB Foodtech")	Malaysia	100	-	Manufacturing of caffeine products and botanical extracts.
Orient Laboratories Sdn. Bhd. ("Orient Laboratories")	Malaysia	100	-	Product development and research and development for fortified food and beverages and dietary supplements; provision of manufacturing services of dietary supplements to third party brand owners; manufacturing of dietary supplements under its house brands; as well as packing of related products.
Bonlife (M) Sdn. Bhd. ("Bonlife")	Malaysia	100	-	Sales and marketing of fortified food and beverages and dietary supplements under its house brands.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Acquisition of subsidiaries

The Company acquired the entire equity interest of Bonlife, Orient Biotech, and Orient Laboratories, for a total purchase consideration of RM27,162,600 satisfied via the issuance of 271,626,000 new ordinary shares at an issue price of RM0.10 per share. The acquisition was completed on 21 June 2024. After the acquisition, Bonlife, Orient Biotech, and Orient Laboratories become wholly-owned subsidiaries of the Company.

The consolidated financial statements have been prepared using the merger method to account for the acquisition of Bonlife, Orient Biotech, and Orient Laboratories. Merger reserve or deficit are determined as the difference between the cost of merger and nominal value of the share capital of the subsidiaries acquired and recognised in statements of financial position.

In the financial period when the merger took place, the subsidiary's profits are included in the Group's profits for the full financial period, regardless of the effective date of merger.

Incorporate of a subsidiary

On 27 March 2025, the Company had incorporated OB Foodtech, a wholly-owned subsidiary of the Company, with an issued and paid-up capital of RM100 comprising of 100 ordinary shares.

Additional investment in existing subsidiary

During the financial year, the Company subscribed for additional ordinary shares in existing subsidiary by capitalising the interest free advances owing by the subsidiary as follows:-

	Type of <u>shares</u>	Number of <u>shares</u>	Amount <u>capitalised</u> RM
Orient Biotech	Ordinary	<u>13,000,000</u>	<u>13,000,000</u>

Impairment of subsidiaries

The Company assesses whether there is any indicator of impairment at the reporting date. If any such indication exists, the management of the Company assesses the recoverable amount of the investment in subsidiaries and an impairment loss is recognised when the recoverable amount of the investment in subsidiaries is less than their carrying amount.

The recoverable amount of the investment in subsidiaries are assessed by reference to the fair value less cost to sell of the underlying assets or value-in-use of the respective subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Impairment of subsidiaries (cont'd)

Estimating a value in use requires significant judgements and estimates about the future results and key assumptions applied to the cash flow projections of the subsidiaries in determining the recoverable amounts. These key assumptions include different forecast growth in future revenue and operating cash flows, as well as determining an appropriate pre-tax discount rate for used for each subsidiary.

Fair value less cost to sell method are within Level 3 of the fair value hierarchy.

Details of the Level 3 fair value method used in obtaining the recoverable amounts are as follows:-

Valuation method and key inputs	Significant unobservable inputs	Relationship unobservable inputs and fair value
Adjusted net asset method which derives the fair value of an investee's equity by reference to the fair value of its assets and liabilities	Fair value of individual assets and liabilities	The higher the net assets, the higher the fair value

Material accounting policy information

Investment in subsidiaries, which are eliminated on consolidation, are stated in the Company's statement of financial position at cost less any impairment losses.

7. INTANGIBLE ASSETS

	<u>Patents</u> RM
Group	
Cost	
At 1 June 2023/31 May 2024/ 31 May 2025	<u>487,950</u>
Accumulated amortisation	
At 1 June 2023/31 May 2024/ 31 May 2025	<u>487,949</u>
Net carrying amount	
At 31 May 2024/31 May 2025	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

7. INTANGIBLE ASSETS (CONT'D)

Material accounting policy information

Intangible assets which have finite useful lives, are measured at cost less accumulated amortisation and any accumulated impairment losses.

Recognition and measurement

Patents

Patents are stated at cost and is amortised using the straight-line basis over its estimated useful life. If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

Amortisation

Patents

Patents are stated at cost less any accumulated impairment losses and is amortised using the straight-line basis over its estimated useful life of 5 years.

8. DEFERRED TAX (ASSETS)/LIABILITIES

	Group	
	<u>2025</u> RM	<u>2024</u> RM
Brought forward	713,107	340,119
Recognised in profit or loss	<u>(421,232)</u>	<u>372,988</u>
Carried forward	<u><u>291,875</u></u>	<u><u>713,107</u></u>

Presented after appropriate offsetting as follows:-

	Group	
	<u>2025</u> RM	<u>2024</u> RM
Deferred tax assets	(5,500)	-
Deferred tax liabilities	<u>297,375</u>	<u>713,107</u>
	<u><u>291,875</u></u>	<u><u>713,107</u></u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

8. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

The balance in the deferred tax (assets)/liabilities is made up of temporary differences arising from:-

Deferred tax assets

	<u>Inventories</u> RM	<u>Impairment</u> RM	<u>Property, plant and equipment</u> RM	<u>Total</u> RM
At 1 June 2023	-	-	11,000	11,000
Recognised in profit or loss	-	(18,700)	9,200	(9,500)
At 31 May 2024	-	(18,700)	20,200	1,500
Recognised in profit or loss	-	100	(7,100)	(7,000)
At 31 May 2025	-	(18,600)	13,100	(5,500)

Deferred tax liabilities

	<u>Inventories</u> RM	<u>Impairment</u> RM	<u>Property, plant and equipment</u> RM	<u>Total</u> RM
At 1 June 2023	(121,692)	(3,982)	454,793	329,119
Recognised in profit or loss	44,475	3,982	334,031	382,488
At 31 May 2024	(77,217)	-	788,824	711,607
Recognised in profit or loss	(49,266)	-	(364,966)	(414,232)
At 31 May 2025	(126,483)	-	423,858	297,375

9. OTHER RECEIVABLES

	Group		Company	
	<u>2025</u> RM	<u>2024</u> RM	<u>2025</u> RM	<u>2024</u> RM
<u>Non-current</u>				
Third parties	5,000	10,100	-	-
<u>Current</u>				
Subsidiaries	-	-	26,444	-
Third parties	1,105,613	700,384	29,760	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

9. OTHER RECEIVABLES (CONT'D)

	Group		Company	
	<u>2025</u> RM	<u>2024</u> RM	<u>2025</u> RM	<u>2024</u> RM
<u>Current (cont'd)</u>				
Deposits:				
- Third parties	213,689	208,197	1,300	300
- A Director	15,000	15,000	-	-
Prepayments	616,199	548,906	-	272,292
	1,950,501	1,472,487	57,504	272,592
Less: Allowance for expected credit losses	-	-	-	-
	1,950,501	1,472,487	57,504	272,592
	1,955,501	1,482,587	57,504	272,592

The movement of allowance for expected credit losses of other receivables is as follows:-

	Group		Company	
	<u>2025</u> RM	<u>2024</u> RM	<u>2025</u> RM	<u>2024</u> RM
<u>Individually impaired</u>				
Brought forward	-	583,510	-	-
Reversal	-	(550,000)	-	-
Written off	-	(33,510)	-	-
Carried forward	-	-	-	-

The impairment loss on other receivables was reversed as a result of subsequent receipt of the amount.

The amount due from subsidiaries are non-trade related, unsecured, non-interest bearing and repayable on demand.

10. INVENTORIES

	<u>2025</u> RM	<u>2024</u> RM
Group		
Raw materials	9,639,899	10,051,420
Work-in-progress	833,587	367,786
Finished goods	1,209,865	1,198,377
	11,683,351	11,617,583

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

10. INVENTORIES (CONT'D)

	<u>2025</u> RM	<u>2024</u> RM
Group (cont'd)		
Recognised in profit or loss:-		
Inventories recognised in cost of sales	24,122,085	22,216,685
Inventories written off	<u>6,261</u>	<u>6,623</u>

Material accounting policy information

Inventories are stated at the lower of cost and net realisable value after adequate specific write down has been made by the Directors for deteriorated, obsolete and slow-moving inventories. The cost of inventories is calculated using the first-in first-out method.

The write-down and reversal are included in cost of sales. The Group writes down its obsolete or slow moving inventories based on assessments of their estimated net selling price, the expiry date, condition and movements of the inventories and applies certain percentage of write down. Inventories are written down when events or changes in circumstances indicate that the carrying amounts could not be recovered. Management specifically analyses sales trend and current economic trends when making this judgement to evaluate the adequacy of the write down for obsolete or slow-moving inventories.

The reversal of inventories written down was made and recognised in profit or loss when the related inventories were subsequently used or were sold above their carrying amount.

11. TRADE RECEIVABLES

	<u>2025</u> RM	<u>2024</u> RM
Third parties	8,664,350	8,613,301
Less: Allowance for expected credit losses	<u>(187,001)</u>	<u>(78,081)</u>
	<u>8,477,349</u>	<u>8,535,220</u>

The movement of allowance for expected credit losses of trade receivables is as follows:-

	<u>2025</u> RM	<u>2024</u> RM
<u>Individually impaired</u>		
Brought forward	78,081	163,200
Addition	204	-
Reversal	-	(68,525)
Written off	<u>(898)</u>	<u>(16,594)</u>
Carried forward	<u>77,387</u>	<u>78,081</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

11. TRADE RECEIVABLES (CONT'D)

The movement of allowance for expected credit losses of trade receivables is as follows (cont'd):-

	<u>2025</u> RM	<u>2024</u> RM
<u>Collective impaired</u>		
Brought forward	-	-
Addition	<u>109,614</u>	<u>-</u>
Carried forward	<u>109,614</u>	<u>-</u>
Total	<u>(187,001)</u>	<u>78,081</u>

The trade receivables are non-interest bearing and are recognised at their original invoice amounts which represent their fair values on initial recognition.

The normal credit terms granted to the customers range from cash term to 90 days (2024: cash term to 90 days). Other credit terms are assessed and approved by the management on case-by-case basis.

Material accounting policy information

Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

Lifetime expected credit losses refers to the expected credit losses that result from all possible default events over the expected life of the asset. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

The expected credit losses of the trade receivables are estimated using a provision matrix based on the historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of the reporting period, including time value of money where appropriate.

12. SHORT TERM INVESTMENTS

The short term investments are managed and invested into money market instruments by fund management companies. The short term investments are readily convertible to cash.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

13. DEPOSITS WITH LICENSED BANKS

Included in deposits with licensed banks is an amount of RM152,156 (2024: RM148,467) which is pledged to the financial institutions for the banking facilities granted to the Group.

The effective interest rates per annum are as follows:-

	<u>2025</u> %	<u>2024</u> %
Effective interest rates	<u>1.32 – 3.50</u>	<u>2.45 – 2.55</u>

14. SHARE CAPITAL

	Group			
	Number of ordinary shares		Amount	
	<u>2025</u> Unit	<u>2024</u> Unit	<u>2025</u> RM	<u>2024</u> RM
Issued and fully paid with no par value: -				
At 1 June 2024/2023	1,401,000	1,400,000*	1,401,000	1,400,000*
Acquisition of subsidiaries	(1,400,000)*	-	(1,400,000)*	-
Issued pursuant to acquisition of subsidiaries	271,626,000	-	27,162,600	-
Issuance of new shares	-	1,000	-	1,000
Issuance of shares pursuant to Public Issue	120,000,000	-	28,800,000	-
Shares issuance expenses	-	-	(1,568,355)	-
At 31 May	<u>391,627,000</u>	<u>1,401,000</u>	<u>54,395,245</u>	<u>1,401,000</u>

	Company			
	Number of ordinary shares		Amount	
	<u>2025</u> Unit	<u>2024</u> Unit	<u>2025</u> RM	<u>2024</u> RM
Issued and fully paid with no par value: -				
At 1 June 2024/2023	1,000	1,000	1,000	1,000
Issued pursuant to acquisition of subsidiaries	271,626,000	-	27,162,600	-
Issuance of shares pursuant to Public Issue	120,000,000	-	28,800,000	-
Shares issuance expenses	-	-	(1,568,355)	-
At 31 May	<u>391,627,000</u>	<u>1,000</u>	<u>54,395,245</u>	<u>1,000</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

14. SHARE CAPITAL (CONT'D)

The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

*The invested equity constitutes the share capital of Orient Biotech Sdn. Bhd., Orient Laboratories Sdn. Bhd. and Bonlife (M) Sdn. Bhd..

15. MERGER DEFICIT

The merger deficit arises as and when the combination take place. It comprises the difference between the cost of merger and the nominal value of shares acquired in Orient Biotech Sdn. Bhd., Orient Laboratories Sdn. Bhd. and Bonlife (M) Sdn. Bhd. as disclosed in Note 6 to the financial statements.

16. BORROWINGS

	Group	
	<u>2025</u> RM	<u>2024</u> RM
<u>Non-current</u>		
<u>Secured:-</u>		
Hire purchase	188,943	-
Term loans	489,369	11,115,028
<u>Unsecured:-</u>		
Term loans	-	111,420
	<u>678,312</u>	<u>11,226,448</u>
<u>Current</u>		
<u>Secured:-</u>		
Bankers' acceptance	2,695,000	1,414,000
Hire purchase	46,176	-
Revolving credit	3,095,591	-
Term loan	262,884	794,424
<u>Unsecured:-</u>		
Term loans	-	526,537
	<u>6,099,651</u>	<u>2,734,961</u>
	<u>6,777,963</u>	<u>13,961,409</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

16. BORROWINGS (CONT'D)

	Group	
	<u>2025</u>	<u>2024</u>
	RM	RM
Bankers' acceptance	2,695,000	1,414,000
Hire purchase	235,119	-
Revolving credit	3,095,591	-
Term loans	<u>752,253</u>	<u>12,547,409</u>
	<u>6,777,963</u>	<u>13,961,409</u>

Borrowings are secured by:-

- (i) Legal charge over a plant and machinery of the Group as disclosed in Note 3 to the financial statements;
- (ii) Legal charge over certain properties of the Group as disclosed in Notes 4 to the financial statements;
- (iii) Joint and several guarantee by two Directors of the Company;
- (iv) Pledged of fixed deposit of the Group as disclosed in Note 13 to the financial statements; and
- (v) Corporate guarantee by the Company.

The effective interest rates per annum are as follows:-

	<u>2025</u>	<u>2024</u>
	%	%
Bankers' acceptance	4.81 – 5.13	4.65 – 5.30
Hire purchase	4.30	-
Revolving credit	6.64	-
Term loans	<u>5.00 – 6.89</u>	<u>5.00 – 6.89</u>

17. TRADE PAYABLES**Group**

The trade payables are non-interest bearing and the normal credit terms granted by the trade payables range from 30 days to 90 days (2024: 30 days to 90 days).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

18. OTHER PAYABLES

	Group		Company	
	<u>2025</u> RM	<u>2024</u> RM	<u>2025</u> RM	<u>2024</u> RM
Non-trade payables	2,641,620	1,700,181	47,411	224,687
Companies in which				
Directors have interests	-	-	-	928,964
A subsidiary	-	-	33,874	-
Deposits	133,636	-	-	-
Accruals	668,147	460,334	50,350	5,320
Sales and services tax payable	311,269	299,264	-	-
	<u>3,754,672</u>	<u>2,459,779</u>	<u>131,635</u>	<u>1,158,971</u>

Amounts due to companies in which Directors have interests and a subsidiary are unsecured, non-interest bearing and repayable on demand.

19. REVENUE

	Group		Company	
	<u>2025</u> RM	<u>2024</u> RM	<u>2025</u> RM	<u>2024</u> RM
<u>Revenue from contracts with customers</u>				
Sales of goods	54,424,142	50,773,560	-	-
Services	102,007	112,633	-	-
	<u>54,526,149</u>	<u>50,886,193</u>	<u>-</u>	<u>-</u>
<u>Other revenue</u>				
Dividend income	-	-	3,000,000	-
	<u>54,526,149</u>	<u>50,886,193</u>	<u>3,000,000</u>	<u>-</u>
Revenue recognised at a point in time	<u>54,526,149</u>	<u>50,886,193</u>	<u>-</u>	<u>-</u>
<u>Primary geographical market:</u>				
- Malaysia	49,584,113	46,220,246	-	-
- Overseas	<u>4,942,036</u>	<u>4,665,947</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

19. REVENUE (CONT'D)

Performance obligations

Sales of goods and services

Revenue from sales of goods and services rendered is recognised at a point in time when the goods have been transferred or the services have been rendered to the customers and coincides with the delivery of products or services and acceptance by customer.

There is no material right of return provided to the customers on the sale of products.

There is no significant financing component in the revenue arising from sale of products and services rendered as the sales or services are made on the normal credit terms not exceeding twelve months.

20. OTHER INCOME

	Group		Company	
	<u>2025</u> RM	<u>2024</u> RM	<u>2025</u> RM	<u>2024</u> RM
Gain on disposal of property, plant and equipment	101,000	15,999	-	-
Gain on disposal of investment property	20,274	-	-	-
Sundry income	278,660	60,503	-	-
Realised gain on foreign exchange	<u>132,558</u>	<u>30,764</u>	<u>-</u>	<u>-</u>
	<u>532,492</u>	<u>107,266</u>	<u>-</u>	<u>-</u>

21. FINANCE INCOME

	Group		Company	
	<u>2025</u> RM	<u>2024</u> RM	<u>2025</u> RM	<u>2024</u> RM
Interest income:				
Current account	68,814	-	68,814	-
Distribution income from short term investments	308,533	-	308,533	-
Fixed deposits	<u>5,845</u>	<u>8,271</u>	<u>-</u>	<u>-</u>
	<u>383,192</u>	<u>8,271</u>	<u>377,347</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

22. FINANCE COSTS

	Group	
	<u>2025</u> RM	<u>2024</u> RM
Interest expenses:		
- Hire purchase/ Lease liabilities	3,671	3,732
- Term loans	601,187	733,240
- Bank overdrafts	4,046	14,558
- Bankers' acceptance	58,834	47,769
	<u>667,738</u>	<u>799,299</u>

23. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax has been determined after charging/(crediting), amongst other items, the following:-

	Group		Company	
	<u>2025</u> RM	<u>2024</u> RM	<u>2025</u> RM	<u>2024</u> RM
Charging:-				
Auditors' remuneration related to:				
- Statutory services	176,000	136,000	40,000	5,000
- Assurance services	92,800	96,600	82,800	96,600
Deposit forfeited	-	36,270	-	-
Depreciation of property, plant and equipment	2,157,994	1,876,167	3,380	1,408
Depreciation of right-of-use assets	205,799	216,646	-	-
Depreciation of investment property	680	2,717	-	-
Directors' fees	324,000	255,000	192,000	112,000
Expenses relating to short term leases	561,890	561,730	-	-
Property, plant and equipment written off	-	45,265	-	-
Realised loss on foreign exchange	882	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

23. PROFIT/(LOSS) BEFORE TAX (CONT'D)

Profit/(Loss) before tax has been determined after charging/(crediting), amongst other items, the following (cont'd):-

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RM	RM	RM	RM
Crediting:-				
Gain on disposal of property, plant and equipment	(101,000)	(15,999)	-	-
Gain on disposal of investment property	(20,274)	-	-	-
Realised gain on foreign exchange	(132,558)	(30,764)	-	-
Dividend income	-	-	(3,000,000)	-

24. TAX EXPENSE

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RM	RM	RM	RM
Current tax:				
- Current financial year	2,308,256	2,189,790	-	-
- Under/(Over) provision in prior financial years	94,851	(122,001)	-	-
	<u>2,403,107</u>	<u>2,067,789</u>	<u>-</u>	<u>-</u>
Deferred tax:				
- Current financial year	(110,195)	393,010	-	-
- Over recognised in prior financial years	(311,037)	(20,022)	-	-
	<u>(421,232)</u>	<u>372,988</u>	<u>-</u>	<u>-</u>
	<u>1,981,875</u>	<u>2,440,777</u>	<u>-</u>	<u>-</u>

Malaysian income tax is calculated at statutory tax rate of 24% (2024: 24%) of the estimated assessable profits for the financial years.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

24. TAX EXPENSE (CONT'D)

The numerical reconciliations between the effective tax rate and the statutory tax rate of the Group and of the Company are as follows:-

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RM	RM	RM	RM
Profit/(Loss) before tax	<u>6,561,414</u>	<u>7,940,829</u>	<u>1,540,664</u>	<u>(854,987)</u>
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	1,574,739	1,905,798	369,759	(205,197)
Tax effects in respect of:-				
Expenses not deductible for tax purposes	1,596,727	944,002	424,289	205,197
Income not subject to tax	(838,405)	(132,000)	(794,048)	-
Change in tax for the first tranche of categories income	(40,500)	(40,500)	-	-
Change in tax for the second tranche of categories income	(94,500)	(94,500)	-	-
Under/(Over) provision of tax expense in prior financial years	94,851	(122,001)	-	-
Over recognised of deferred tax liabilities in prior financial years	<u>(311,037)</u>	<u>(20,022)</u>	<u>-</u>	<u>-</u>
Total tax expense	<u>1,981,875</u>	<u>2,440,777</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

25. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing net profit for the financial year attributable to ordinary equity holders of the Group over the weighted average number of ordinary shares in issue during the financial year as follows:

	<u>2025</u> RM	<u>2024</u> RM
Net profit for the financial year attributable to equity holders of the Group (RM)	<u>4,579,539</u>	<u>5,500,052</u>
Weighted average number of ordinary shares in issue:		
Issued ordinary shares at beginning of the year*	256,740,000	256,740,000
Effect of Initial Public Offering during the year	<u>70,360,000</u>	<u>-</u>
	<u>327,100,000</u>	<u>256,740,000</u>
Basic earnings per share (RM)	<u>0.014</u>	<u>0.021</u>

*For the computation of earnings per share for the financial year ended 31 May 2025 and 31 May 2024, it is assumed that the number of ordinary shares arising from the acquisition of subsidiaries were in issue throughout the current and previous financial year.

Diluted earnings per share

Diluted earnings per share equals basic earnings per share because there are no potential dilutive instruments in existence at the reporting date.

26. DIVIDENDS

	<u>2025</u> RM	<u>2024</u> RM
<u>In respect of financial year ended 31 May 2025</u>		
Interim single tier dividend of 0.12 sen per share, declared on 27 January 2025 and paid on 14 March 2025	<u>469,952</u>	<u>-</u>

On 30 July 2025, the Board of Directors have proposed and approved a single tier interim dividend of 0.12sen per ordinary share, amounting to dividend payment of RM469,952 in respect of the current financial year. The financial statements for the current financial year do not reflect this proposed dividend and will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 May 2026.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

27. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	<u>2025</u> RM	<u>2024</u> RM	<u>2025</u> RM	<u>2024</u> RM
Salaries, bonus and other emoluments	6,849,882	6,426,884	4,000	-
Defined contribution plans	<u>674,500</u>	<u>612,776</u>	<u>-</u>	<u>-</u>
	<u>7,524,382</u>	<u>7,039,660</u>	<u>4,000</u>	<u>-</u>

The employee benefits expense for cost of sales and distribution expenses are amounted to RM3,616,092 (2024: RM3,515,982) and RM465,521 (2024:RM470,372) respectively.

Directors' Remuneration

Included in the employee benefits expenses is the Directors remuneration as below:

	Group		Company	
	<u>2025</u> RM	<u>2024</u> RM	<u>2025</u> RM	<u>2024</u> RM
Salaries, bonus and other emoluments	596,131	465,070	4,000	-
Defined contribution plans	<u>49,220</u>	<u>49,950</u>	<u>-</u>	<u>-</u>
	<u>645,351</u>	<u>515,020</u>	<u>4,000</u>	<u>-</u>

The estimated monetary value of benefits-in-kind received by Directors other than cash from the Group are amounted to RM58,554 (2024: RM58,725).

28. CAPITAL COMMITMENT

	Group	
	<u>2025</u> RM	<u>2024</u> RM
Capital expenditure		
<u>Authorised and contracted for:-</u>		
Property, plant and equipment	997,496	-
Construction of factory	<u>14,490,867</u>	<u>13,920,646</u>
	<u>15,488,363</u>	<u>13,920,646</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

29. RELATED PARTY DISCLOSURES

The significant related party transactions of the Group and of the Company are as follows:

Related party transactions

Related party transactions have been entered into the normal course of business under normal trade terms. The significant related party transactions of the Group and of the Company are as follows:-

	Group		Company	
	<u>2025</u> RM	<u>2024</u> RM	<u>2025</u> RM	<u>2024</u> RM
<u>Companies in which certain Directors have interests:-</u>				
Rental expenses	-	-	-	180
Advances to	-	-	-	928,784
	<u>-</u>	<u>-</u>	<u>-</u>	<u>928,784</u>
<u>Related parties:-</u>				
Purchase	269,280	292,747	-	-
Sales	<u>8,729,413</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Subsidiaries</u>				
Rental expenses	-	-	468	-
Advances to	-	-	2,000,000	-
Dividend income	<u>-</u>	<u>-</u>	<u>3,000,000</u>	<u>-</u>
<u>Directors:-</u>				
Rental expenses	<u>34,800</u>	<u>31,200</u>	<u>-</u>	<u>-</u>

Related party balances

Outstanding balances arising from related party transactions as at the reporting date are disclosed in Notes 9 and 18 to the combined financial statements.

Compensation of Key Management Personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly and entity that provides key management personnel services to the Company.

Key management includes all the Directors of the Company and certain members of senior management of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

29. RELATED PARTY DISCLOSURES (CONT'D)

Compensation of Key Management Personnel (cont'd)

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RM	RM	RM	RM
Directors' fees	324,000	255,000	192,000	112,000
Directors' remuneration	645,351	515,020	4,000	-
Benefits-in-kind	58,554	58,725	-	-
	<u>1,027,905</u>	<u>828,745</u>	<u>196,000</u>	<u>112,000</u>
Other key management personnel:				
- Salaries and other emoluments	742,378	692,941	-	-
- Defined contribution plans	92,516	84,480	-	-
- Benefits-in-kind	29,375	32,500	-	-
	<u>1,892,174</u>	<u>1,638,666</u>	<u>196,000</u>	<u>112,000</u>

30. FINANCIAL INSTRUMENTS

30.1 Categories of Financial Instruments

The table below provides an analysis of financial instruments categorised as financial assets and financial liabilities measured at amortised cost.

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RM	RM	RM	RM
Financial assets				
Trade receivables	8,477,349	8,535,220	-	-
Other receivables (excluded prepayment)	1,339,302	933,681	57,504	300
Deposits with licensed banks	152,156	389,650	-	-
Short term investments	13,680,863	-	13,680,863	-
Cash and bank balances	8,201,800	3,172,503	808,026	-
	<u>31,851,470</u>	<u>13,031,054</u>	<u>14,546,393</u>	<u>300</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 Categories of Financial Instruments (cont'd)

The table below provides an analysis of financial instruments categorised as financial assets and financial liabilities measured at amortised cost (cont'd).

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RM	RM	RM	RM
Financial liabilities				
Trade payables	1,864,727	2,964,888	-	-
Other payables (excluded sales and service tax payables)	3,443,403	2,160,515	131,635	1,158,971
Borrowings	<u>6,777,963</u>	<u>13,961,409</u>	<u>-</u>	<u>-</u>
	<u>12,086,093</u>	<u>19,086,812</u>	<u>131,635</u>	<u>1,158,971</u>

30.2 Financial Risk Management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policies are established to ensure that adequate resources are available for the development of the Group's and of the Company's business whilst managing their credit risk and liquidity risk. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and by the Company and the policies in respect of the major areas of treasury activities are set out as follows: -

30.2.1 Credit Risk

As at reporting date, the Company only has deposit paid and thus there is no credit risk. Credit risk refers to the risk that a counterparty will default in its contractual obligations resulting in financial loss to the Group. The Group adopts the policy of dealing with customers of appropriate standing to mitigate credit risk and customer who wish to trade on credit terms are subject to credit evaluation. Receivables are monitored on an ongoing basis to mitigate risk of bad debts. For other financial assets, the Group adopts the policy of dealing with reputable institutions.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial Risk Management (cont'd)

30.2.1 Credit Risk (cont'd)

Maximum exposure of the Group to credit risk is represented by the carrying amount of financial assets recognised at reporting date summarised below:-

	Group		Company	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RM	RM	RM	RM
Financial assets				
Trade receivables	8,477,349	8,535,220	-	-
Other receivables (excluded prepayments)	1,339,302	933,681	57,504	300
Deposits with licensed banks	152,156	389,650	-	-
Short term investments	13,680,863	-	13,680,863	-
Cash and bank balances	<u>8,201,800</u>	<u>3,172,503</u>	<u>808,026</u>	<u>-</u>
	<u>31,851,470</u>	<u>13,031,054</u>	<u>14,546,393</u>	<u>300</u>

Trade receivables

Credit risk concentration

In respect of trade receivables, the Group has no significant concentration of credit risk with any single counterparty or any group of counterparties having similar characteristics, except below mentioned.

	<u>2025</u>		<u>2024</u>	
	RM	%	RM	%
Trade receivables				
Malaysia				
1 customer (2024: 1 customer)	<u>1,138,375</u>	<u>13</u>	<u>2,100,901</u>	<u>25</u>

The Group continuously monitor credit standing of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used.

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and take appropriate actions to recover long overdue balances. For trade receivables' credit term that are past due but not impaired, the Group's debt recovery process is the Group will initiate a structured debt recovery process which is monitored via management reporting procedures.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial Risk Management (cont'd)

30.2.1 Credit Risk (cont'd)

Trade receivables (cont'd)

Recognition and measurement of impairment loss (cont'd)

The Group applies the simplified approach under MFRS 9 to measure expected credit losses, which uses a lifetime expected credit losses for all trade receivables. The Group evaluates the credit losses on a case-by-case basis.

The Group assesses the expected loss rates based on historical payment profiles of the trade receivables and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on factors affecting the financial capability of the debtor and default or significant delay in payments. No significant changes to estimation techniques or assumptions were made during the reporting period.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired. The gross carrying amounts of credit impaired trade receivables are 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 determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Trade receivables that are written off are still subjected to enforcement activities.

As at the reporting date, the management is of the opinion that all necessary impairment that is required has been provided for and trade receivables have not been impaired are credit worthy debtors whereby impairment is not required.

None of the Group's financial assets are secured by collateral or other credit enhancements.

Set out below is the information about the credit risk exposure and ECLs on the Group's trade receivables which is grouped together as they are expected to have similar risk nature:-

	Current	Days past due				Total
		1 to 30 days	31 to 60 days	61 to 90 days	More than 91 days	
	RM	RM	RM	RM	RM	RM
2024						
Gross amount	5,779,041	1,410,519	591,764	172,834	659,143	8,613,301
Expected credit losses	-	-	-	-	(78,081)	(78,081)
Net balance	<u>5,779,041</u>	<u>1,410,519</u>	<u>591,764</u>	<u>172,834</u>	<u>581,062</u>	<u>8,535,220</u>
	Current	Days past due				Total
		1 to 30 days	31 to 60 days	61 to 90 days	More than 91 days	
	RM	RM	RM	RM	RM	RM
2025						
Gross amount	4,426,034	1,578,230	1,012,331	930,887	716,868	8,664,350
Expected credit losses	(34,012)	(10,107)	(2,467)	(4,124)	(136,291)	(187,001)
Net balance	<u>4,392,022</u>	<u>1,568,123</u>	<u>1,009,864</u>	<u>926,763</u>	<u>580,577</u>	<u>8,477,349</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial Risk Management (cont'd)

30.2.1 Credit Risk (cont'd)

Other receivables

As at the reporting date, the management is of the opinion that all necessary impairment that is required has been accounted for and other receivables that have not been impaired are no indication that other receivables are not recoverable.

Cash and bank balances and deposits with licensed banks

The credit risk for cash and bank balances and deposits with licensed banks is considered low, since the counterparties are reputable financial institutions with high quality external credit ratings and have no history of default. Consequently, the Group is of the view that the loss allowance is not material and hence, it is not provided for.

Financial guarantee/Corporate guarantee

The maximum exposure to credit risk amounting to RM5,790,591 (2024: RMNil) representing the outstanding banking facilities of a subsidiary as at the end of the reporting year.

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries.

The Company monitors the results of the subsidiary and repayments made by the subsidiary on an on-going basis. As at the end of the reporting year, there was no indication that the subsidiary would default on repayment.

The corporate guarantee does not have a determinable effect on the term of the credit facilities due to the bank requiring parent's guarantees as a pre-condition for approving the banking facilities granted to the subsidiary. The actual terms of the credit facilities are likely to be the best indicator of "at market" term and hence the fair value of the credit facilities are equal to the credit facilities amount received by the subsidiary. As such, there is no value on the corporate guarantee to be recognised in the financial statements.

30.2.2 Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet their financial obligations as and when they fall due, due to shortage of funds.

In managing its exposures to liquidity risk that arises principally from their various payables, borrowings and lease liabilities, the Group maintains a level of cash and cash equivalents and banking facilities deemed adequate by the management to ensure, as far as possible that it will have sufficient liquidity to meet its liabilities as and when they fall due.

The Group aims at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial Risk Management (cont'd)

30.2.2 Liquidity Risk (cont'd)

The summary of the maturity profile based on the contractual undiscounted repayment obligations is as follow:-

Group	Total contractual cash flows RM	Maturity		
		Within 1 year RM	2 to 5 years RM	More than 5 years RM
<u>2025</u>				
Non derivative financial liabilities				
Secured:				
Borrowings	6,799,296	6,069,025	730,271	-
Unsecured:				
Trade payables	1,864,727	1,864,727	-	-
Other payables (excluded sales and service tax payables)	3,443,403	3,443,403	-	-
Borrowings	75,485	75,485	-	-
	<u>12,182,911</u>	<u>11,452,640</u>	<u>730,271</u>	<u>-</u>
<u>2024</u>				
Non derivative financial liabilities				
Secured:				
Borrowings	20,431,422	2,996,181	5,725,972	11,709,269
Unsecured:				
Trade payables	2,964,888	2,964,888	-	-
Other payables (excluded sales and service tax payables)	2,160,515	2,160,515	-	-
Borrowings	657,141	544,977	112,164	-
	<u>26,213,966</u>	<u>8,666,561</u>	<u>5,838,136</u>	<u>11,709,269</u>
<u>Company</u>				
<u>2025</u>				
Non derivative financial liabilities				
Unsecured:				
Other payables	131,635	131,635	-	-
Financial guarantee*	5,790,591	5,790,591	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial Risk Management (cont'd)

30.2.2 Liquidity Risk (cont'd)

The summary of the maturity profile based on the contractual undiscounted repayment obligations is as follow (cont'd):-

Company (cont'd)	Total contractual cash flows RM	Maturity		
		Within 1 year RM	2 to 5 years RM	More than 5 years RM
<u>2024</u>				
Non derivative financial liabilities				
Unsecured:				
Other payables	1,158,971	1,158,971	-	-

* This exposure of liquidity risk is included for illustration purpose only as the related financial guarantees has not crystallised.

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of financial liabilities at the reporting date.

30.2.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to the risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

The Group's interest rate management objective is to manage interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group targets a mix of fixed and floating debts based on assessment of its existing exposure and desired interest rate profile.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the reporting date is as follows:-

	<u>2025</u> RM	<u>2024</u> RM
Fixed rate instruments		
<u>Financial asset</u>		
Deposits with licensed banks	152,156	389,650

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial Risk Management (cont'd)

30.2.3 Interest rate risk (cont'd)

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the reporting date is as follows (cont'd):-

	<u>2025</u> RM	<u>2024</u> RM
Fixed rate instruments		
<u>Financial liabilities</u>		
Bankers' acceptance	2,695,000	1,414,000
Hire purchase	<u>235,119</u>	<u>-</u>
	<u>2,930,119</u>	<u>1,414,000</u>
Net	<u>(2,777,963)</u>	<u>(1,024,350)</u>
Floating rate instruments		
<u>Financial liability</u>		
Term loans	752,253	12,547,409
Revolving credit	<u>3,095,591</u>	<u>-</u>
	<u>3,847,844</u>	<u>12,547,409</u>

Fair values sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss. Therefore, a change in interest rates as at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The following table illustrates the sensitivity of profit to a reasonably possible change in interest rate of +/-25 (2024: +/-25) basis points ("bp"). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instrument held at each reporting date that is sensitive to changes in interest rate. All other variables are held constant.

	Impact on profit/equity <u>(Decrease)/Increase</u>	
	+25bp	-25bp
	RM	RM
2025	(9,620)	9,620
2024	<u>(31,369)</u>	<u>31,369</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial Risk Management (cont'd)

30.2.4 Foreign currency risk

The Group is exposed to foreign currency risk as a result of their normal operating activities, where the currency denomination differs from the local currency, RM. The Group's policy is to keep the foreign exchange exposure to an acceptable level.

The Group is exposed to transactional currency risk primarily through costs of sales and purchases of property, plant and equipment that are denominated in a currency other than the functional currency to which they related. The currency giving rise to this risk are United States Dollar ("USD") and Euro ("EUR").

Foreign currency denominated financial assets which expose the Group to currency risk are disclosed below. The amount shown is those reported to key management translated into RM at the closing rate:-

	<u>2025</u> RM	<u>2024</u> RM
<u>Denominated in USD</u>		
Other receivables	404,281	193,227
Cash and bank balances	214,400	33,215
Trade payables	<u>(26,086)</u>	<u>(218,287)</u>
	<u>592,595</u>	<u>8,155</u>
<u>Denominated in EUR</u>		
Trade receivables	637,010	697,034
Cash and bank balances	<u>147,993</u>	<u>143,392</u>
	<u>785,003</u>	<u>840,426</u>

Foreign currency sensitivity analysis

The following table illustrates the sensitivity of profit/equity with regards to the Group's financial assets and financial liabilities and the RM/USD and RM/EUR exchange rate assuming all other things being equal. A +/-1% (2024: +/-1%) change in the RM/USD and RM/EUR exchange rate at the reporting date is deemed possible. Both of these percentages have been determined based on average market volatility in exchange rates in the previous 12 months.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial Risk Management (cont'd)

30.2.4 Foreign currency risk (cont'd)

Foreign currency sensitivity analysis (cont'd)

The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates. If the RM had strengthened/weakened against the USD and EUR, then the impact would be as follows:-

	Impact on profit/equity <u>Increase/(Decrease)</u>	
	+1% RM	-1% RM
<u>RM/USD</u>		
2025	(5,926)	5,926
2024	<u>(82)</u>	<u>82</u>
<u>RM/EUR</u>		
2025	(7,850)	7,850
2024	<u>(8,404)</u>	<u>8,404</u>

30.3 Fair Value of Financial Instruments

The carrying amounts of financial assets and financial liabilities of the Group and of the Company at the reporting date approximate their fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date or immaterial discounting impact.

30.4 Fair Value Hierarchy

As at the reporting date, the Group and the Company have no financial instruments that are measured subsequent to initial recognition at fair value and hence fair value hierarchy is not presented.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

30. FINANCIAL INSTRUMENTS (CONT'D)

30.5 Reconciliation of liabilities arising from financing activities

Group

	<u>1 June 2024</u> RM	<u>Drawdown/ Addition</u> RM	<u>Cash flows</u> RM	<u>31 May 2025</u> RM
Revolving credit	-	3,095,591	-	3,095,591
Term loans	12,547,409	-	(11,795,156)	752,253
Bankers' acceptance	1,414,000	-	1,281,000	2,695,000
Hire purchase	-	250,000	(14,881)	235,119
	<u>13,961,409</u>	<u>3,345,591</u>	<u>(10,529,037)</u>	<u>6,777,963</u>

	<u>1 June 2023</u> RM	<u>Drawdown borrowings</u> RM	<u>Cash flows</u> RM	<u>31 May 2024</u> RM
Term loans	12,828,349	947,134	(1,228,074)	12,547,409
Bankers' acceptance	1,324,000	-	90,000	1,414,000
Lease liabilities	149,810	-	(149,810)	-
	<u>14,302,159</u>	<u>947,134</u>	<u>(1,287,884)</u>	<u>13,961,409</u>

Company

	<u>1 June 2024</u> RM	<u>Cash flows</u> RM	<u>31 May 2025</u> RM
Companies in which Directors have interests	928,964	(928,964)	-

	<u>Date of Incorporation (1 June 2023)</u> RM	<u>Cash flows</u> RM	<u>31 May 2025</u> RM
Companies in which Directors have interests	-	928,964	928,964

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

31. SEGMENT

For management purpose, the Group's revenue are categorised by principal activities as follows:

Provision of manufacturing services	Provision of manufacturing services of fortified food and beverages, and dietary supplements to third party brand owners
House brands products	Manufacturing, sales and marketing of fortified food and beverages, and dietary supplements under its house brand
Trading and others	Trading of milk powder and other activities such as laboratory tests services, freight services, and the sales of packaging materials, pallets and face masks on an ad hoc basis
Investment holding	Investment holding

The Group has aggregated certain operating segments to form a reportable segment due to the similar nature and operational characteristics of the products.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the combined financial statements. These policies have been applied consistently throughout the financial years.

The inter-segment assets are adjusted against the segment assets to arrive at total assets reported in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

31. SEGMENT (CONT'D)

	<u>Note</u>	<u>Provision of manufacturing services</u> RM	<u>House brand products</u> RM	<u>Trading and others</u> RM	<u>Investment holding</u> RM	<u>Elimination</u> RM	<u>Total</u> RM
<u>2025</u>							
Revenue							
External revenue		32,495,177	15,771,697	6,259,275	-	-	54,526,149
Inter-segment revenue	(i)	-	6,634,397	1,200,345	3,000,000	(10,834,742)	-
Total revenue		32,495,177	22,406,094	7,459,620	3,000,000	(10,834,742)	54,526,149
Results							
Finance income							383,192
Finance costs							(667,738)
Depreciation of property, plant and equipment							(2,157,994)
Depreciation of right-of-use assets							(205,799)
Depreciation of investment properties							(680)
Other non-cash income	(ii)						5,195
Tax expense							(1,981,875)
Segment profit	(iii)						<u>4,864,085</u>
Assets							
Unallocated segment assets	(iv)						76,295,147
Additions to non-current assets	(v)						<u>7,582,534</u>
Liabilities							
Unallocated segment liabilities	(vi)						<u>5,619,399</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

31. SEGMENT (CONT'D)

	Note	Provision of manufacturing services RM	House brand products RM	Trading and others RM	Investment holding RM	Elimination RM	Total RM
2024							
Revenue							
External revenue		31,739,107	12,143,668	7,003,418	-	-	50,886,193
Inter-segment revenue	(i)	-	4,722,112	1,892,725	-	(6,614,837)	-
Total revenue		31,739,107	16,865,780	8,896,143	-	(6,614,837)	50,886,193
Results							
Finance income							8,271
Finance costs							(799,299)
Depreciation of property, plant and equipment							(1,876,167)
Depreciation of right-of-use assets							(216,646)
Depreciation of investment properties							(2,717)
Other non-cash income	(ii)						546,366
Tax expense							(2,440,777)
Segment profit	(iii)						6,291,080
Assets							
Unallocated segment assets	(iv)						52,340,321
Additions to non-current assets	(v)						5,298,585
Liabilities							
Unallocated segment liabilities	(vi)						5,424,667

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

31. SEGMENT (CONT'D)

Notes to the nature of adjustments and eliminations to arrive at amount reported in the financial statements

- (i) Inter-segment revenues are eliminated on combination.
- (ii) Other major non-cash (expenses)/income consist of the followings items are presented in the respective notes to the financial statements:-

	<u>2025</u> RM	<u>2024</u> RM
Deposits forfeited	-	(36,270)
Gain on disposal of property, plant and equipment	101,000	15,999
Gain on disposal of investment property	20,274	-
(Net impairment loss)/reversal of impairment loss on receivables	(109,818)	618,525
Inventories written off	(6,261)	(6,623)
Property, plant and equipment written off	-	(45,265)
	<u>5,195</u>	<u>546,366</u>

- (iii) The following items are added to/(deducted from) segment profit to arrive at “profit after tax” presented in the statements of profit or loss and other comprehensive income:-

	<u>2025</u> RM	<u>2024</u> RM
Segment profit	4,864,085	6,291,080
Finance income	383,192	8,271
Finance costs	(667,738)	(799,299)
Profit after tax	<u>4,579,539</u>	<u>5,500,052</u>

- (iv) The following items are added to segment assets to arrive at total assets reported in the statements of financial position:-

	<u>2025</u> RM	<u>2024</u> RM
Segment assets	76,295,147	52,340,321
Intangible assets	1	1
Deferred tax assets	5,500	-
Tax recoverable	407,967	133,403
Total assets	<u>76,708,615</u>	<u>52,473,725</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

31. SEGMENT (CONT'D)

Notes to the nature of adjustments and eliminations to arrive at amount reported in the combined financial statements (cont'd)

- (v) Additions to non-current assets other than the financial instruments and deferred tax assets consist of:-

	<u>2025</u> RM	<u>2024</u> RM
Property, plant and equipment	7,020,986	5,298,585
Right-of-use assets	<u>561,548</u>	<u>-</u>
Total assets	<u><u>7,582,534</u></u>	<u><u>5,298,585</u></u>

- (vi) The following items are added to segment liabilities to arrive at total liabilities reported in the combined statements of financial position:-

	<u>2025</u> RM	<u>2024</u> RM
Segment liabilities	5,619,399	5,424,667
Deferred tax liabilities	297,375	713,107
Borrowings	6,777,963	13,961,409
Tax payable	<u>367,964</u>	<u>69,860</u>
Total liabilities	<u><u>13,062,701</u></u>	<u><u>20,169,043</u></u>

- (vii) It was not practicable to separate out the segment results for its business segments as the Directors of the Company are of the opinion that excessive costs would be incurred.

Business segment**(a) Geographical information**

Revenue and non-current assets information based on geographical location of the customers and assets respectively are as follows:-

	<u>Revenue</u> RM	Non-current <u>assets</u> RM
<u>2025</u>		
Malaysia	49,584,113	32,154,628
Overseas	<u>4,942,036</u>	<u>-</u>
	<u><u>54,526,149</u></u>	<u><u>32,154,628</u></u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

31. SEGMENT (CONT'D)

Business segment (cont'd)

(a) Geographical information (cont'd)

Revenue and non-current assets information based on geographical location of the customers and assets respectively are as follows (cont'd):-

	<u>Revenue</u> RM	<u>Non-current assets</u> RM
<u>2024</u>		
Malaysia	46,220,246	27,152,879
Overseas	<u>4,665,947</u>	<u>-</u>
	<u>50,886,193</u>	<u>27,152,879</u>

Non-current assets information presented above consist of the following items as presented in the consolidated statements of financial position:-

	<u>2025</u> RM	<u>2024</u> RM
Property, plant and equipment	15,041,198	10,178,206
Right-of-use assets	17,102,929	16,747,180
Investment property	-	217,392
Deferred tax assets	5,500	-
Intangible assets	1	1
Other receivables	<u>5,000</u>	<u>10,100</u>
	<u>32,154,628</u>	<u>27,152,879</u>

(b) Information about major customers

The following are the major customers with revenue equal to or more than ten percent of revenue of the Group:-

	RM	%	Operating segment
<u>2025</u>			
Customer A	<u>8,697,041</u>	<u>16</u>	Provision of manufacturing services
<u>2024</u>			
Customer A	<u>12,984,297</u>	<u>26</u>	Provision of manufacturing services

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

32. CAPITAL MANAGEMENT

Total capital managed at the Group's level is the shareholders' fund as shown in the statements of financial position.

The primary objective of the Group's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholders' value.

The Group manages their capital structure and make adjustments to it, in light of changes in economic conditions including the interest rate movements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new share capital.

No changes were made in the objective, policies or processes during the financial year and prior financial period.

33. MATERIAL LITIGATION

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

For information purposes, the Group had on 25 October 2024 announced a dispute on the alleged breach of contract and infringement of intellectual property rights between Nature One Dairy (Hong Kong) Limited ("NOD") and Orient Biotech.

On 4 March 2025, Orient Biotech received a letter from the solicitors acting for NOD accompanied by a sealed Writ of Summons and a Statement of Claim, both dated 28 February 2025 and issued by the Supreme Court of Victoria, Melbourne, Australia ("Court"). The aforementioned Statement of Claim was incomplete and subsequently, the Writ of Summons and revised Statement of Claim, both dated 28 February 2025 were received on 5 March 2025.

Pursuant to the Statement of Claim, NOD has claimed the following:-

- (i) damages;
- (ii) at NOD's election, an account of profits or equitable compensation;
- (iii) interest pursuant to s101 of the Supreme Court Act 1986; and
- (iv) such other order(s) as to the Court seems appropriate.

Orient Biotech had filed an appearance in defence of the proceeding on 16 April 2025. Directions hearing for this matter has been scheduled on 7 October 2025. Orient Biotech will defend NOD's claim on the basis that their claims of loss of sales and loss of reputation are not attributable to the Group as the milk powder product that the Group manufactured for a particular new customer is different from NOD's products.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

33. MATERIAL LITIGATION (CONT'D)

As at the reporting date, the Board would not be able to ascertain the financial and operational impacts as well as the potential liabilities arising from the Writ of Summons and Statement of Claim as no specific amount demanded was stated therein.

34. COMPARATIVE INFORMATION

Certain comparative figures were reclassified to conform with current year presentation as disclosed below.

Reconciliation of statement of profit or loss and other comprehensive income

	As per previously <u>reported</u> RM	<u>Reclassification</u> RM	As per <u>reclassified</u> RM
2024			
Selling and distribution expenses	4,945,956	470,372	5,416,328
Administrative expenses	<u>8,766,037</u>	<u>(470,372)</u>	<u>7,366,287</u>

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD

Listing on ACE Market

On 7 March 2024, Bursa Malaysia Securities Berhad has approved the admission of the Company to the official list and the listing of and quotation for its entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad. The ordinary shares of the Company were listed on the ACE Market of Bursa Malaysia Securities Berhad on 29 October 2024.

United States of America ("US") Reciprocal Tariff

On 2 April 2025, the US government announced a reciprocal tariff on imported goods from all countries. A baseline tariff of 10% on all imports was imposed effective 5 April 2025, with higher tariffs proposed for specified countries. Malaysia was initially designated a tariff rate of 24% effective from 9 April 2025. On the same day, however, the US government also announced a temporary 90-day suspension of the higher tariff rates for all countries, except China. As a result, the 10% baseline tariff remained applicable to imports from Malaysia and other countries (excluding China) until 9 July 2025.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 May 2025

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD (CONT'D)

United States of America (“US”) Reciprocal Tariff (cont'd)

On 2 and 8 July 2025, the US government announced revised higher tariff of 20% for Vietnam and 25% for Malaysia, replacing the earlier proposed rates. Following bilateral negotiation, the US government issued an executive order on 31 July 2025, reducing the tariff on Malaysia good to 19% effective from 7 August 2025.

At this juncture, the management does not expect the reciprocal tariff to have a material impact on the Group's business operations or financial performance as the Group's direct export to US is negligible. However, the imposition of the reciprocal tariff by the US and retaliation tariffs by certain countries may lead to dysfunctional global trade environment such as supply chain disruptions, increase of operational costs and other global macroeconomic conditions such as rising inflation, higher unemployment rates, lower disposable income and etc. These put adverse implications on the global economy and may have a material adverse impact on the business and financial performance of businesses worldwide.

The management is aware that any future development to this event may have a direct or indirect implication to its business operations and will continue to monitor the situation closely and take appropriate and timely measures to address the potential implications that may arise from this reciprocal tariff.



OTHER INFORMATION

06

Analysis of Shareholdings	170
List of Properties	172
Notice of Annual General Meeting	173
Administrative Notes for Annual General Meeting	179
Proxy Form	

ANALYSIS OF SHAREHOLDINGS

As at 8 September 2025

Total Number of Issued Shares	:	391,627,000 ordinary shares
Class of Equity Securities	:	Ordinary shares
Voting Rights	:	One (1) vote per ordinary share

DISTRIBUTION SCHEDULE OF SHAREHOLDINGS

Size of holdings	No. of holders	%	No. of shares	%
Less than 100 shares	0	0.00	0	0.00
100 - 1,000 shares	153	8.57	69,600	0.02
1,001 - 10,000 shares	832	46.61	4,417,400	1.13
10,001 - 100,000 shares	629	35.24	23,166,700	5.91
100,001 – 19,581,349 ^(*)	168	9.41	92,346,300	23.58
19,581,350 and above ^(**)	3	0.17	271,627,000	69.36
Total	1,785	100.00	391,627,000	100.00

Note:

* less than 5% of issued shares

** 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(As per the Register of Substantial Shareholders)

Name of Substantial Shareholders	No. of Shares Held			
	Direct Interest	%	Indirect Interest	%
Goodone Holding Sdn. Bhd.	117,488,100	30.00	-	-
Teoh Eng Sia	77,069,450	19.68	194,557,550	49.68 ⁽¹⁾⁽²⁾
Wong Chung Theng	77,069,450	19.68	194,557,550	49.68 ⁽¹⁾⁽²⁾

Note:

⁽¹⁾ Deemed interested by virtue of his/her spouse's direct shareholdings in the Company.

⁽²⁾ Deemed interested by virtue of their shareholdings in Goodone Holding Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

DIRECTORS' SHAREHOLDINGS

(As per the Register of Directors' Shareholdings)

Name of Directors	No. of Shares Held			
	Direct Interest	%	Indirect Interest	%
Dato' Seri Abdul Puhat Bin Mat Nayan	250,000	0.06	-	-
Teoh Eng Sia	77,069,450	19.68	194,557,550	49.68 ⁽¹⁾⁽²⁾
Lee Bao Yu	1,044,000	0.27	-	-
Wong Chung Theng	77,069,450	19.68	194,557,550	49.68 ⁽¹⁾⁽²⁾
Dato' Haji Mohd Dusuki Bin Ya'acob	250,000	0.06	-	-
Vasu A/L Nallayan	1,200,000	0.31	-	-
Ooi Gin Hui	250,000	0.06	-	-

Note:

⁽¹⁾ Deemed interested by virtue of his/her spouse's direct shareholdings in the Company.

⁽²⁾ Deemed interested by virtue of their shareholdings in Goodone Holding Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS (CONT'D)

As at 8 September 2025

THIRTY LARGEST SHAREHOLDERS AS AT 8 SEPTEMBER 2025

(without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Name	No. of shares	%
1	Goodone Holding Sdn. Bhd.	117,488,100	30.00
2	Teoh Eng Sia	77,069,450	19.68
3	Wong Chung Theng	77,069,450	19.68
4	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Koh Poh Seng (E-KLC)</i>	3,000,000	0.77
5	AllianceGroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Tan Lian Hong (8092237)</i>	2,926,200	0.75
6	Lau Tian Boon	2,593,700	0.66
7	Pelaburan Mara Berhad	2,448,000	0.63
8	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Chia Kee Siong</i>	2,084,000	0.53
9	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>CIMB Commerce Trustee Berhad for Maybank Malaysia Smallcap Fund</i>	2,083,700	0.53
10	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Gan Boon Tian</i>	2,050,000	0.52
11	Eng Back Song	2,000,000	0.51
12	Kuek Yet Yim	1,942,000	0.50
13	Low Bak Ming	1,942,000	0.50
14	Soo Kah Ming	1,719,000	0.44
15	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Maybank Trustees Berhad For Areca Aggressive Alpha Fund (452333)</i>	1,500,000	0.38
16	Teoh Eng Sin	1,380,000	0.35
17	Wong Koon Hean @ Wong Koon Sian	1,250,000	0.32
18	Kenanga Investment Bank Berhad <i>Exempt an for Sentosa Jaya Capital Sdn. Bhd.</i>	1,242,800	0.32
19	Cheng Pei Pei	1,241,800	0.32
20	Vasu A/L Nallayan	1,200,000	0.31
21	Leow Shue Yah	1,157,300	0.30
22	Koh Yuen Shiang	1,142,000	0.29
23	Ng Jia Yee	1,141,700	0.29
24	Wong Soo Foon	1,124,100	0.29
25	Yeo Lian Way	1,097,600	0.28
26	Lee Bao Yu	1,044,000	0.27
27	Khoo Boon Seng	1,042,000	0.27
28	Lim Hock Chye	1,042,000	0.27
29	Low Zoo Hwa	1,042,000	0.27
30	Maybank Securities Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Teo Teck Ong</i>	1,042,000	0.27

LIST OF PROPERTIES

No	Title details / Postal address	Description and Existing use	Tenure	Date Acquisition/ Revaluation	Approximate Age of Building	Approximate land area / Approximate built-up area of the property	NBV as at 31 May 2025 RM'000
1.	Strata Title: PM12169, No. Bangunan M1-A/1/1, Lot No. 84299, Bandar Selayang, District of Gombak, State of Selangor Postal address: No. C-1-01, 162 Residency, KM 12, Jalan Ipoh-Rawang, 68100 Batu Caves Selangor	Description: Ground floor corner shop unit Existing use: Storage	Leasehold for a period of 99 years expiring on 4 September 2095	Date of acquisition: 12 April 2011	14 Year	Land area: 181 sq. mt. Built-up area: 181 sq. mt.	579
2.	Title: H.S.(M) 18871, PT30828, Mukim Batu, District of Gombak, State of Selangor Postal address: No. 37, Jalan PS 3, Taman Industri Prima Selayang, 68100 Batu Caves, Selangor	Description: 3 storeys detached factory Existing use: Manufacturing, R&D and storage facility	Leasehold for a period of 99 years expiring on 17 February 2093	Date of acquisition: 05 August 2002 Date of revaluation: 03 November 2005	21 Year	Land area: 1,136.80 sq. mt. Built-up area: 1,934.22 sq. mt.	2,938
3.	Individual Title: H.S.(D) 64636, PT18118 Seksyen 20 (<i>previously held under master title H.S.(D) 63079, PT17940</i> Seksyen 20), Bandar Serendah, District of Ulu Selangor, State of Selangor	Description: Vacant land Existing use: Currently under construction	Leasehold for a period of 99 years expiring on 6 July 2122	Date of acquisition: 22 February 2022	N/A	Land area: 23,649.57 sq. mt.	13,586

NOTICE OF ANNUAL GENERAL MEETING



OB HOLDINGS BERHAD

Registration No.: 202301020810 (1514732-P)
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN that the Second Annual General Meeting ("2nd AGM" or "Meeting") of OB HOLDINGS BERHAD ("OB Holdings" or "the Company") will be held at Orenda 2, Level 1, Mercure Selangor Selayang, No. B-G-12, Dataran Emerald, Jalan PS 11, Prima Selayang, 68100 Batu Caves, Selangor on Wednesday, 19 November 2025 at 11:00 a.m. or at any adjournment thereof, to transact the following businesses, with or without any modifications:-

AGENDA

AS ORDINARY BUSINESS:-

1. To receive the Audited Financial Statements for the financial year ended 31 May 2025 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors' fees and/or benefits of up to RM500,000.00 for the period from the date immediately after the 2nd AGM until the next Annual General Meeting ("AGM") of the Company.
3. To re-elect the following Directors who retire by rotation pursuant to Clause 88 of the Company's Constitution:-
 - i. Dato' Seri Abdul Puhat Bin Mat Nayan
 - ii. Mr. Teoh Eng Sia
4. To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration.

**Please refer to
Explanatory Note 1**

Ordinary Resolution 1

**Ordinary Resolution 2
Ordinary Resolution 3**

Ordinary Resolution 4

AS SPECIAL BUSINESS:

To consider and if thought fit, pass the following resolutions:-

5. **GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("ACT")**

Ordinary Resolution 5

"THAT subject always to the Constitution of the Company, the Act, the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot new ordinary shares in the Company ("Shares") to such persons, at any 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 to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury Shares, if any) at any point of time ("Mandate") AND the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND such authority shall continue in force until the conclusion of the next AGM of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

AND THAT the new Shares to be issued pursuant to the Mandate, shall, upon issuance and allotment, rank *pari passu* in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new Shares.”

6. **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE (“PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE”)**

Ordinary Resolution 6

“THAT authority be and is hereby given in line with Rule 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad, for the Company and/or its subsidiaries (“the Group”) to enter into any of the recurrent related party transactions with the related parties as set out in Section 2.7(i) of the Circular to Shareholders dated 30 September 2025 in relation to the Proposed Renewal of Existing Shareholders’ Mandate which are necessary for the day-to-day operations of the Group within the ordinary course of business of the Group, made on an arm’s length basis and on normal commercial terms which are those generally available to the public and are not detrimental to the minority shareholders of the Company.

AND THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until:-

- i. the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting at which the ordinary resolution for the Proposed Renewal of Existing Shareholders’ Mandate was passed, at which time it shall lapse, unless by a resolution passed at the next AGM, the authority is renewed;
- ii. the expiration of the period within which the next AGM after that date it is required by law to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- iii. revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed Renewal of Existing Shareholders’ Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed Renewal of Existing Shareholders’ Mandate in the best interest of the Company.”

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

7. **PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE")**

Ordinary Resolution 7

"THAT authority be and is hereby given in line with Rule 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad, for the Group to enter into any of the recurrent related party transactions with the related party(ies) as set out in Section 2.7(ii) of the Circular to Shareholders dated 30 September 2025 in relation to the Proposed New Shareholders' Mandate which are necessary for the day-to-day operations of the Group within the ordinary course of business of the Group, made on an arm's length basis and on normal commercial terms which are those generally available to the public and are not detrimental to the minority shareholders of the Company.

AND THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which the ordinary resolution for the Proposed New Shareholders' Mandate was passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM;
- (ii) the expiration of the period within which the next AGM after that date it is required by law to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed New Shareholders' Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed New Shareholders' Mandate in the best interest of the Company."

8. To transact any other business of which due notice shall have been given.

By order of the Board of Directors

TEA SOR HUA (MACS 01324) (SSM PC NO.: 201908001272)
LEE SIEW FUN (MAICSA 7063623) (SSM PC NO.: 202008000735)
 Company Secretaries

Petaling Jaya, Selangor Darul Ehsan
 30 September 2025

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes:

- a. A member who is entitled to present, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- b. A proxy may, but need not, be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend, speak and vote at the Meeting shall have the same rights as the member to present, participate, speak and vote at the Meeting.
- c. The instrument appointing a proxy shall be in writing signed by the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under the seal or signed by an officer or attorney duly authorised.
- d. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- e. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- f. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 64(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 12 November 2025. Only members whose names appear in the General Meeting Record of Depositors as at 12 November 2025 shall be entitled to present, participate, speak and vote at the Meeting.
- g. To be valid, the instrument appointing a proxy may be made in a hard copy form or by an electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting:-
 - (i) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or alternatively, the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan.
 - (ii) By electronic form
The proxy form can be electronically lodged via the Vistra Share Registry and IPO (MY) portal ("The Portal") at <https://srmy.vistra.com>. Please refer to the procedures as set out in the Administrative Notes for the 2nd AGM for the electronic lodgement of proxy form.
- h. All the resolutions set out in this Notice of Meeting will be put to vote by poll.
- i. Kindly check Bursa Securities website and the Company's website at <https://www.orient.com.my/> for the latest updates on the status of the Meeting.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES:-

1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 May 2025

The Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

2. Item 2 of the Agenda – Directors' Fees and/or Benefits

Pursuant to Section 230(1) of the Act, the Directors' fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting. This resolution is to facilitate payment of Directors' fees and benefits for the period from the date immediately after the 2nd AGM until the date of the next AGM of the Company. In the event the proposed amount is insufficient due to more meetings or an enlarged Board of Directors size, approval will be sought at the next AGM for the shortfall.

3. Item 3 of the Agenda – Re-election of Directors

Clause 88 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office and be eligible for re-election PROVIDED ALWAYS that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

Dato' Seri Abdul Puhat Bin Mat Nayan and Mr. Teoh Eng Sia ("Retiring Directors") will retire by rotation pursuant to Clause 88 of the Company's Constitution. The Retiring Directors being eligible, have offered themselves for re-election at the Meeting.

The Board has endorsed the Nomination Committee's recommendation to seek for the shareholders' approval to re-elect the Retiring Directors as they possess the required skill sets to facilitate and contribute to the Board's effectiveness and value. The Retiring Directors had abstained from all deliberations and decisions on their own eligibility to stand for re-election at the Board meeting.

The details and profiles of the Retiring Directors are provided in the Board of Directors' Profile contained in the Company's Annual Report 2025.

4. Item 5 of the Agenda – General Authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Act

The Ordinary Resolution 5 proposed under item 5 of the Agenda is to seek a general mandate for issuance and allotment of shares by the Company pursuant to Sections 75 and 76 of the Act. This Ordinary Resolution, if passed, will empower the Directors to issue and allot new shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued Shares of the Company (excluding treasury shares, if any) for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and cost involved in convening a general meeting to approve the issuance and allotments of such new Shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This general mandate will provide flexibility to the Company for issuance and allotment of new Shares for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding current and/or future project(s), working capital, acquisitions, investments and/or for issuance of shares as a form of settlement of purchase consideration or repayment of borrowings or debt settlement/repayment or such other applications as the Directors may deem fit and expedient in the best interest of the Company.

The Company had at its First AGM (1st AGM) held on 27 August 2024, obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to issue and allot shares in the Company to such persons, at any 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 to be issued does not exceed ten percent (10%) of the total number of issued shares of the Company at any point in time.

As at the date of this Notice of Meeting, no new shares in the Company were issued and allotted pursuant to the general mandate granted to the Directors at the 1st AGM which will lapse at the conclusion of the Meeting, and accordingly, no proceeds were raised.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

5. Items 6 and 7 of the Agenda – Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate

The Ordinary Resolution 6 and Ordinary Resolution 7 proposed under items 6 and 7 of the Agenda, if passed, will give the mandate for the Group to enter into recurrent related party transactions of a revenue and/or trading nature pursuant to Rule 10.09 of the Listing Requirements of Bursa Securities. The mandate, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

Please refer to the Circular to Shareholders dated 30 September 2025 for further details.

**OB HOLDINGS BERHAD**

Registration No.: 202301020810 (1514732-P)
(Incorporated in Malaysia)

**ADMINISTRATIVE NOTES FOR THE SECOND ANNUAL GENERAL MEETING OF
OB HOLDINGS BERHAD (“THE COMPANY”) (“2ND AGM” OR “MEETING”)**

Day and Date	: Wednesday, 19 November 2025
Time	: 11:00 a.m. or at any adjournment thereof
Venue	: Orenda 2, Level 1, Mercure Selangor Selayang, No. B-G-12, Dataran Emerald, Jalan PS 11, Prima Selayang, 68100 Batu Caves, Selangor

ENTITLEMENT TO PARTICIPATE/GENERAL MEETING RECORD OF DEPOSITORS (“ROD”)

Only a depositor whose name appears on the ROD as at 12 November 2025 shall be entitled to present, participate, speak and vote at the 2nd AGM or appoint proxy(ies)/corporate representative(s)/attorney(s) to present, participate, speak and/or vote on his/her behalf.

APPOINTMENT OF PROXY OR ATTORNEY OR CORPORATE REPRESENTATIVE

Shareholders who appoint proxy(ies) to participate the 2nd AGM must ensure that the duly executed proxy forms are deposited in a hard copy form or submit electronic form to Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”) no later than **Monday, 17 November 2025 at 11:00 a.m.**

The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner:-

(i) In hard copy form

By hand or post to the Share Registrar of the Company at Tricor’s office, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time appointed for holding the 2nd AGM or any adjournment thereof, otherwise the proxy form shall not be treated as valid.

Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia no later than **Monday, 17 November 2025 at 11:00 a.m.** to participate the 2nd AGM. A copy of the power of attorney may be accepted provided that it is certified by a notary and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

For a corporate member who has appointed a representative, please deposit the ORIGINAL/DULY CERTIFIED certificate of appointment with the Share Registrar of the Company at Tricor, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia to participate the 2nd AGM. The certificate of appointment should be executed in the following manner:-

- (a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
- (b) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (i) at least two (2) authorised officers, of whom one shall be a director; or
 - (ii) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

(i) By electronic form

All members can have the option to submit the proxy form electronically via Vistra Share Registry and IPO (MY) portal ("The Portal") are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User at The Portal	1. Visit the website at https://srmy.vistra.com. 2. Click "Register" and select "Individual Holder" and complete the New User Registration Form. 3. For guidance, you may refer to the tutorial guide available on the homepage. 4. Once registration is completed, you will receive an email notification to verify your registered email address. 5. After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by creating your password. <i>If you are an existing user with The Portal or our TIH Online portal previously, you are not required to register again.</i>
Proceed with submission of proxy form	1. After the release of the Notice of Meeting by the Company, login with your email address and password. 2. Select the corporate event: "OB HOLDINGS BERHAD 2nd AGM". 3. Navigate to the 3 dots at the end of the corporate event and choose "SUBMISSION OF PROXY FORM". 4. Read and agree to the Terms and Conditions and confirm the Declaration. 5. Indicate the total number of shares assigned to your proxy(s) to vote on your behalf. 6. Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint the Chairman as your proxy. 7. Indicate your voting instructions – FOR or AGAINST or ABSTAIN. 8. Print the proxy form for your record.
ii. Steps for Corporation or Institutional Members	
Register as a User at The Portal	1. Visit the website at https://srmy.vistra.com. 2. Click "Register" and select "Representative of Corporate Holder" and complete the New User Registration Form. 3. Complete the registration form with your personal details. 4. Once registration is completed, you will receive an email notification to verify your registered email address. 5. After verification, your registration will be reviewed and approval within two (2) working days. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by creating your password. <i>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact Tricor if you need clarifications on the user registration.</i>

General Line : +603-2783 9299
Email : is.enquiry@vistra.com
Contact Person : Zulhafri Abdul Rahman
+603-2783 9289 (zulhafri@vistra.com)
Zaqwan Syahmi Sarman
+603-2783 9283 (Zaqwan.syahmi@vistra.com)

This page has been intentionally left blank.

**OB HOLDINGS BERHAD**

Registration No.: 202301020810 (1514732-P)
(Incorporated in Malaysia)

PROXY FORM

(Before completing this form please refer to the notes below)

No. of shares held	
CDS Account No.	

I/We* _____ NRIC/Passport/Registration No.* _____

(Full name in block)

of _____

(Address)

with email address _____ mobile phone no. _____

(Address)

being a member/members* of **OB HOLDINGS BERHAD** ("the Company") hereby appoint(s):-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

and/or* (delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone 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 Second Annual General Meeting ("2nd AGM") of the Company to be held at Orenda 2, Level 1, Mercure Selangor Selayang, No. B-G-12, Dataran Emerald, Jalan PS 11, Prima Selayang, 68100 Batu Caves, Selangor on Wednesday, 19 November 2025 at 11:00 a.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her* discretion.

No.	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' fees and/ or benefits of up to RM500,000.00 for the period commencing from the date immediately after the 2 nd AGM until the next Annual General Meeting ("AGM") of the Company.		
2.	To re-elect Dato' Seri Abdul Puhat Bin Mat Nayan as a Director of the Company.		
3.	To re-elect Mr. Teoh Eng Sia as a Director of the Company.		
4.	To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company.		
5.	To approve the general authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
6.	To approve the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature.		
7.	To approve the Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature.		

*delete whichever is not applicable

Dated this _____ day of _____ 2025

Signature of Member(s) / Common Seal

Notes:

- a. A member who is entitled to present, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- b. A proxy may, but need not, be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to present, participate, speak and vote at the Meeting.
- c. The instrument appointing a proxy shall be in writing signed by the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under the seal or signed by an officer or attorney duly authorised.
- d. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- e. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- f. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 64(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 12 November 2025. Only members whose names appear in the General Meeting Record of Depositors as at 12 November 2025 shall be entitled to present, participate, speak and vote at the Meeting.

Please fold here

AFFIX
STAMP
HERE

The Share Registrar
OB HOLDINGS BERHAD
[Registration No. 202301020810 (1514732-P)]

c/o Tricor Investor & Issuing House Services Sdn Bhd
[Registration No. 197101000970 (11324-H)]
Unit 32-01, Level 32,
Tower A Vertical Business Suite Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Please fold here

- g. To be valid, the instrument appointing a proxy may be made in a hard copy form or by an electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting:-
 - (i) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or alternatively, the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan.
 - (ii) By electronic form
The proxy form can be electronically lodged via the Vistra Share Registry and IPO (MY) portal ("The Portal") at <https://srmy.vistra.com>. Please refer to the procedures as set out in the Administrative Guide for the AGM for the electronic lodgement of proxy form.
- h. All the resolutions set out in this Notice of Meeting will be put to vote by poll.
- i. Kindly check Bursa Malaysia Securities Berhad's website and the Company's website at <https://www.orient.com.my/> for the latest updates on the status of the Meeting.



www.orient.com.my



OB HOLDINGS BERHAD

(Registration No. 202301020810 (1514732-P))
(Incorporated in Malaysia under the Companies Act 2016)

No. B-G-1, B-G-2 and B-G-3
Dataran Emerald, Jalan PS 11, Prima Selayang
68100 Batu Caves, Selangor

HOUSE BRANDS

